

FRHL/BSE/136/20

October 29, 2020

To,  
The Corporate Relationship Department,  
BSE Limited,  
25<sup>th</sup> Floor, P.J.Towers,  
Dalal Street,  
Mumbai- 400001

Dear Sir,

Sub: **Submission of Annual Report for the Financial Year 2019-20**  
Security Code: **503831**

In terms of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the financial Year 2019-20 along with the Notice of the Annual General Meeting which is being sent to the shareholders of the Company through electronic mode whose email addresses are registered with the Company's Registrar and Transfer Agent / Depositories.

The 49<sup>th</sup> Annual General Meeting ('AGM') of the Company will be held on Saturday, November 21, 2020 at 4.00 p.m (I.S.T) through Video Conference / other Audio Visual Means, in accordance with the General Circular issued by Ministry of Corporate Affairs dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 and SEBI Circular dated May 12, 2020.

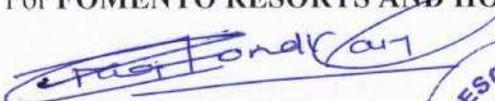
The Annual Report of the Company is also available on the website of the Company at [www.frhl.in](http://www.frhl.in)

Kindly take the aforesaid information on record in compliance of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

Thanking you,

Yours faithfully,

For **FOMENTO RESORTS AND HOTELS LIMITED**

  
**ASMEETA MATONDKAR**  
**COMPANY SECRETARY**

**Fomento Resorts and Hotels Limited**

- Unit : Cidade de Goa, Vainguinim Beach, Goa 403 004 INDIA.  
T : +91 (832) 2454545 | F : +91 (832) 2454541/42
- Regd. Off. : Cidade de Goa, Vainguinim Beach, Goa 403 004 INDIA.  
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CIN : L55101GA1971PLC000113 | GSTIN : 30AAACF2845D1ZB

**FOMENTO RESORTS AND HOTELS LIMITED**

**49th Annual Report  
2019-2020**



**FOMENTO RESORTS AND HOTELS LIMITED**

**BOARD OF DIRECTORS**

MRS. ANJU TIMBLO  
MR. AUDUTH TIMBLO  
MR. JAMSHED DELVADAVALA  
MR. REYAZ MAMA  
MR. VINAYAK PADWAL  
MR. SUJJAIN TALWAR

**CHIEF FINANCIAL OFFICER**

MR. M. A. HAJARE

**COMPANY SECRETARY**

MRS. ASMEETA MATONDKAR

**AUDITOR**

M/s. SUDHA SURESH PAI & ASSOCIATES  
Chartered Accountants

**BANKERS**

IDBI BANK LIMITED  
HDFC BANK LIMITED  
ICICI BANK LIMITED  
INDUSIND BANK LIMITED

**REGISTERED OFFICE**

CIDADE DE GOA,  
VAINGUINIM BEACH,  
GOA - 403004

<b>Contents</b>	<b>Page</b>
About Cidade de Goa .....	3
About Taj Hotel & Convention Centre, Goa .....	4
Directors' Report .....	5
Management Discussion and Analysis .....	42
Report on Corporate Governance .....	52
Shareholders Information .....	69
Independent Auditor's Report .....	76
Balance Sheet .....	84
Statement of Profit and Loss .....	85
Cash Flow statement .....	86
Statement of Changes in Equity .....	88
Notes to the Financial Statements .....	89
Notice .....	113

**Disclaimer/ Forward Looking Statement**

In this Annual Report we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. The report and other statements – written and oral that we periodically make, contain forward looking statements that set out anticipated results based on the management plans and assumptions. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks in uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.



## Cidade de Goa

A few minutes from Panjim, past verdant paths, and on Vainguinim beach, await intimate alcoves, overhanging balcaos, historic murals, a backyard beach, and the friendliest hosts. Simply, Goa in a resort.

Designed as a Portuguese hamlet, with a Mediterranean influence, by world-renowned architect Charles Correa, Cidade de Goa is a blend of luxury, warmth, and the laidback elegance of susegad. It embodies the heart of Goa, both in terms of location and vibe.

One is welcomed by stunning views of the sea, manicured greens, and vibrant medleys of oranges, yellows, and blues. Correa's telling murals, chequered floors, balcaos, and tiled roofs take one through a historical Portuguese-Goan journey. Every corner has a story, every nook - places to sit, and every evening is accentuated by live music.

Rooms or quartos are thoughtfully designed, keeping heritage, space, and grace in mind. Every suite is one with a view, opening out into the blues and sounds of the sea, every window a suitable spot for introspection.

The quaint & secluded Vainguinim beach, makes Cidade de Goa an excellent destination for discerning families. A range of water sports, games, and children's facilities ensures everyone is occupied.

For health pilgrims, Clube Saúde's Tattva Spa and Salon rejuvenates, the gymnasium keeps the adrenaline going, and Pavitra Ayurveda encourages self-discovery through meditation, yoga, and self-healing.

Gourmands are spoilt for choice. Laranja, the multi-cuisine restaurant, welcomes all with wide arches. Alfama, reminiscent of old Lisbon, provides a unique balance of the global and local. Café Azul, a pool-side restaurant, overlooking the sea, is proud of its Indian, Italian, and local cuisines, while the seasonal Barbeque, the open-air restaurant, lets you indulge in intimate conversations just a few meters from the sea.

Professionals, too, may breathe easy as contemporary venues create the desired ambience for both conventions and rendezvous.

Warmth is at the heart of Cidade de Goa and is complemented by service that speaks volumes. A complimentary airport shuttle bus and friendly smiles await your arrival, the concierge helps with tours, and in-resort currency exchangers make travel a breeze. After all, we are only as good as our people and ours are the best."

  
**TAJ**  
**HOTEL & CONVENTION CENTRE**  
GOA

## **Taj Hotel & Convention Centre, Goa**

With a forested hillside perch and gorgeous sea views, the 299-room Taj Hotel & Convention Centre oozes luxury & scale. 10 minutes from Panjim and neighbouring the Cidade de Goa, it stands tall, bold and generous. Much like the spirit of Goa.

Enter a cocktail of enviable spaces and modern design. After being greeted on arrival by vertical gardens and an elegant fountain, step into the views, starting with the lobby that sweeps in the Arabian sea. Look above and the boldness of Goa stares back at you, in the form of a suspended boat's hull. Look around and you discover a resort of plenty.

On your left lies the BLD, your multi-cuisine restaurant that's open for, yes you guessed it, breakfast, lunch and dinner. The extended alfresco terrace is a great spot to park yourself for the sun and sea. It has a formidable neighbour in the form of The Banyan, the hotel's "Eat-Bar", which takes its name from a 200 year old Banyan tree that is a landmark in the hotel. The speciality restaurant C2C offers coastal cuisine from around the world and sweeping views of the waters. A 25m Lap pool, on the lower ground floor adjacent to the Gym and Kids Club, near the stilted roots of the Banyan tree, keeps the vibe easy and the views spectacular.

The convention centre, is the centre piece. Lorded over by a 1200 sq. metres pillarless hall, 6 breakaway spaces, an exclusive entrance and ample recreational options, scale here is inevitable. 282 rooms & 17 themed suites, play perfect accessories, with more than half of them facing the sea. Suites and Club Rooms top up the experience with the 24x7 Club Lounge.

For the best high in Goa however, head up to the instagrammable rooftop, suitably landscaped with a large infinity pool along the sea-facing edge and boasting a sunken bar. The Vainguinim beach, the Zuari bay and the sea beyond all appear within reach. Pause for the sunsets and the light illuminating statues of Dona Paula. If this were not dramatic enough, soak in the Jiva spa or better still, park yourself at the 40-seater cinema that the resort offers cinephiles.

To cut a tall story short, there is plenty here to make your moments larger than life.

## DIRECTORS' REPORT

To  
The Members,

The Board of Directors of your Company present the Forty Ninth Annual Report on business and operations of your Company along with the Audited Financial Statements for the year ended March 31, 2020.

### 1. FINANCIAL RESULTS AND APPROPRIATION

(Amount in Lakhs)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Income	7310.80	6,976.12
Operating Expenses	5347.40	4413.64
<b>Gross Operating Profit (PBIDT)</b>	<b>1963.40</b>	<b>2562.48</b>
Less:		
Interest and Financial Charges	445.14	725.39
Depreciation	533.87	230.46
<b>Profit before Extra Ordinary and Exceptional items &amp; Tax</b>	<b>984.39</b>	<b>1606.63</b>
Exceptional Items	-	-
<b>Profit before tax (PBT)</b>	<b>984.39</b>	<b>1606.63</b>
Tax Expense	498.09	688.66
<b>Profit/(Loss) after tax (PAT)</b>	<b>486.30</b>	<b>917.97</b>
Add Surplus/(Deficit) brought forward from the previous year	7838.55	7299.83
<b>Profit available for appropriation</b>	<b>8324.85</b>	<b>8217.80</b>
<b>Appropriation</b>		
a) Transfer to General Reserve	(48.63)	(91.80)
b) Re-measurement of defined benefit obligation	(48.82)	12
c) Dividend (including dividend distribution taxes)	(193.20)	(299.45)
Balance carried to Balance Sheet	<b>8034.21</b>	<b>7838.55</b>
<b>Earnings per share before Exceptional Item (Basic and Diluted)</b>	<b>3.04</b>	<b>5.74</b>
<b>Earnings per share after Exceptional Item (Basic and Diluted)</b>	<b>3.04</b>	<b>5.74</b>

### 2. COMPANY'S PERFORMANCE:

The Directors wish to report that your Company achieved a total income of Rs. 7,310.80 lakhs compared to Rs. 6,976.12 lakhs in the previous year. Of the above income the Operational revenue was Rs. 7,127.43 lakhs as against Rs. 6,754.55 lakhs of the previous year that is an increase of 5.52%, mainly due to the Segment of weddings, conferences and groups and also individual travelers. The Company earned a pre-tax profit of Rs. 984.39 lakhs for the year under review as against Rs. 1606.63 lakhs (before exceptional items) in the previous year.

#### Borrowings:

The total borrowings stood at Rs. 50,123.54 lakhs (from group companies and banks) as at March 31, 2020 as against Rs. 29,936.28 lakhs (from group companies and banks) as on March 31, 2019 representing an increase of Rs. 20,187.26 lakhs mainly due to further receipt of Long Term Loan from Bank for the purpose of completion of the new hotel project.

#### Capital Expenditure:

During the year under review, your Company incurred Rs. 23,640.21 Lakhs towards capital expenditure for the development and construction of the new hotel at Vainguinim, Goa and the upcoming hotel at Aarvli, Sindhudurg, Maharashtra.

**3. SHARE CAPITAL:**

During the year under review, the total paid-up share capital of the Company stood at Rs. 86,00,00,000/- consisting of 1,60,00,000 equity shares of Rs. 10/- each and 70,00,000 Cumulative, Non-Convertible, Redeemable preference shares of Rs. 100 each.

**4. LISTING OF EQUITY SHARES**

The equity shares of your Company are listed at BSE Limited, Mumbai. The annual listing fees for the year 2019-20 have been paid to BSE Limited.

However, as on the date of this report the Board at its meeting held on June 26, 2020 consented to the Delisting proposal, in accordance with Regulation 8(1) a of the Delisting Regulations subject to the approval of the shareholders of the Company.

**5. DIVIDEND:**

In view of the prolonged lockdown and consequent travel restrictions to avoid spread of COVID-19 pandemic imposed by the Government of India as well as other countries globally almost all business segments i.e. Corporate , Leisure , MICE and Direct business were severally impacted. In these unforeseen and uncertain times, it is difficult to predict when business conditions will normalize. Therefore, in order to conserve cash and ensure liquidity for the operations for the Financial Year 2020 -21, the Board of Directors decided not to recommend any dividend to the shareholders for the Financial Year 2019-2020.

**6. TRANSFER TO RESERVES:**

The Board of Directors propose to transfer an amount of Rs. 48.63 lakhs to General Reserve.

**7. CREDIT RATING:**

During the FY under review, Company's credit rating profile stood as under:

Instrument	Credit rating agency	As at March 31, 2020	Outlook
Bank Term Loan (Long-term)	Acuite Ratings & Research Limited	ACUITEBBB	Stable

**8. FIXED DEPOSITS:**

We have not accepted any fixed deposits, including from the public and , as such, no amount of principal or interest was outstanding as of the balance sheet date .

**9. PARTICULARS OF LOANS/ADVANCES/INVESTMENTS OUTSTANDING DURING THE FINANCIAL YEAR**

Pursuant to section 186 of the Companies Act, 2013 the Company has not granted any loans/advances/investments or made any or provided guarantees during the year.

**10. COMMENCEMENT OF NEW HOTEL OPERATIONS**

During the year under review the Company commenced operations of its new hotel known as "Taj Hotel & Convention Centre, Goa" consisting of 299 keys at Vainguinim , Goa facing the Vainguinim beach geographically close to the Company's existing hotel, Cidade de Goa. Both the hotels of the Company are operated by Indian Hotels Company Limited (IHCL) pursuant to the Hotel Operating Agreement executed between the Company and IHCL dated February 11, 2019.

**11. STATUTORY AUDITORS:**

At the 46<sup>th</sup> Annual General Meeting (AGM) held on 29<sup>th</sup> September, 2017 the Members approved the appointment of Messrs Sudha Suresh Pai & Associates, Chartered Accountants (ICAI Registration No. 118006W) as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of the 46<sup>th</sup> Annual General Meeting (AGM) until the conclusion of the 51<sup>st</sup> Annual General Meeting of the Company, subject to ratification by members at every subsequent Annual General Meeting, if so required under the Act.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every AGM has been done away by the Company's (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the ensuing AGM and a note in respect of the same has been included in the notice for this AGM.

During the year the Statutory Auditors have confirmed that they satisfy the independence criteria required under the Companies Act, Code of ethics issued by the Institute of Chartered Accountants of India .

The Auditors Report for financial year 2019-2020 does not contain any qualification, reservation or adverse remark. The Auditor's Report along with the notes to schedules form part of this Annual Report.

**Auditor's certificate on corporate governance**

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditor's certificate on Corporate Governance forms part of this Annual Report. The Auditor's certificate for financial year 2019-2020 does not contain any qualification, reservations or adverse remark.

**12. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

The Board of Directors of the Company appointed Mr. Shivaram Bhat, Practising Company Secretary (Certificate of Practice Number: 7853), to conduct the Secretarial Audit. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks. The Secretarial

Audit Report for the financial year ended March 31, 2020, forms part of this Annual Report.

The Report of the Secretarial Auditor is annexed as “Annexure G”.

### **13. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board .

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

During the year 2019-20 as required under section 143 of the Act, the Statutory Auditors have evaluated and expressed an opinion on the Company’s internal financial controls with reference to the financial statements based on an audit. In their opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and were operating effectively as at March 31, 2020.

During 2019-2020, the Audit Committee was satisfied with the adequacy of the internal financial controls with reference to financial statements of the Company.

### **14. REPORTING OF FRAUDS BY AUDITORS**

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

### **15. WEBADDRESS FOR ANNUAL RETURN AND OTHER POLICIES/DOCUMENTS**

As mandated by Section 92 of Companies Act, 2013 read with the Rules made thereunder, the extract of Annual Return for the financial year ended March 31, 2020 in form MGT-9 is enclosed as Annexure D to this report. The copy of the Annual Return is available on the website of the Company, under the weblink [www.frlh.in](http://www.frlh.in). Other applicable policies of the Company are placed on the Company’s website at [www.frlh.in](http://www.frlh.in)

### **16. COMPOSITION OF AUDIT COMMITTEE:**

Audit Committee of the Board has been constituted as per Section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Regulation 18 of the Listing Regulations.

The Committee met five times during the year, the details of which are given in the Corporate Governance report. As on date of this report, the Committee comprises of Mr. Jamshed Delvadavala , Mr. Reyaz Mama, Mr. Vinayak Padwal and Mrs. Anju Timblo, who possess expertise in finance, accounts, strategy, tax, law and general administration.

The other details pertaining to the Audit Committee are included in the Corporate Governance Report, which forms part of the Annual Report.

### **17. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP’s):**

As on March 31, 2020, there were Six(6) Directors on the Board of the Company consisting of Four (4) Independent Directors, One (1) Non-Executive & Non-Independent Director and One (1) Whole-Time Director.

#### **Appointments**

During the Financial Year under review, Mr. Sujjain Suresh Talwar has been appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. March 14, 2020 and proposed to be appointed as a Director in the ensuing Annual General Meeting. The Nomination and Remuneration Committee and Board of Directors of the Company recommend his candidature for being appointment as an Independent Director of the Company.

The first tenure of Mr. Jamshed Delvadavala and Mr. Reyaz Mama, Independent Directors completed on March 31, 2019. Based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company and as approved by the Members at the 48<sup>th</sup> AGM , Mr. Reyaz Mama and Mr. Jamshed Delvadavala were reappointed as Independent Directors for a second term of consecutive 5 (Five) years on the Board of the Company w.e.f. April 1, 2019 till March 31, 2024.

For the purpose of compliance with Section 152 of the Companies Act, 2013 and for determining the Director liable to retire by rotation, the Board at its meeting held on July 30, 2020, took note of the consent given by Mr. Auduth Timblo, being longest in office, to retire by rotation at the ensuing Annual General Meeting of the Company. Accordingly, the Board noted that Mr. Auduth Timblo, Director and Non-Executive Chairman shall be the Director liable to retire by rotation and being eligible, has offered himself for re-appointment. The Directors recommend re-appointment of Mr. Auduth Timblo.

### **Woman Director**

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a company shall have at least one Woman Director on the Board of the Company. Your Company is in compliance of the same. Mrs. Anju Timblo Managing Director & CEO is a Woman Director, and also a Whole Time Director as on March 31, 2020.

### **KMPs**

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel (KMP) of your Company are Mrs. Anju Timblo, Managing Director & CEO, Mr. M. A. Hajare, Chief Financial Officer and Ms. Asmeeta Matondkar, Company Secretary. There has been no change in Key Managerial Personnel's during the year.

### **Board Evaluation**

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning etc.

The performance of the committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are broadly based on the Guidance note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of the Executive Director and Non-Executive Directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of Individual Directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At the Board meeting that followed the meeting of the Independent Directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board excluding the independent director being evaluated.

### **Board Diversity**

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical background.

The Board recognizes the importance of a diverse composition and has adopted a Board Diversity Policy which sets out the approach to diversity. The Board diversity policy is available on our website: [https://frhl.in/upload/PDF/234\\_27\\_new\\_file\\_Board\\_Diversity\\_Policy.pdf](https://frhl.in/upload/PDF/234_27_new_file_Board_Diversity_Policy.pdf)

### **Committees of the Board**

Currently, the Board has five committees: the Audit committee, the Nomination and Remuneration committee, the Corporate Social Responsibility committee, the Stakeholders Relationship committee and the Risk Management committee. A detailed note on the composition of the Board and its Committees is provided in the corporate governance report section of this Annual Report.

### **Number of Meetings of the Board**

During the year, Five Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

### **18. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

### **19. CODE OF CONDUCT:**

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has adopted a Code of Conduct and Ethics ('The Code'). The Code is applicable to the members of the Board, Senior Management and Designated employees of the Company. The code is available on the website of the Company at [www.frhl.in](http://www.frhl.in)

All the members of the Board, Senior Management and Designated Employees of the Company have affirmed compliance to the Code as on March 31, 2020.

A declaration to this effect signed by the Managing Director & C.E.O. forms part of this Annual Report.

### **20. PARTICULARS OF EMPLOYEES:**

Information required pursuant to section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company is annexed as Annexure E.

The statements containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is not provided since there were no employees drawing remuneration of more than Rs. 102 lakhs or drawing remuneration of Rs. 8.50 lakhs per month if employed part of the year as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **21. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2) (e) of SEBI (LODR) Regulations, 2015 with the Stock Exchange, is given separately and forms part of this Annual Report.

#### **22. CORPORATE GOVERNANCE:**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirement set out by the SEBI. The report on the Corporate Governance under Regulation 34 of the SEBI Listing Regulations read with Schedule V of the said Regulations forms part of this Report. The requisite certificate from the Statutory Auditors of the Company confirming compliance with the conditions of the Corporate Governance forms part of this Annual Report.

#### **23. ANTI-SEXUAL HARASSMENT INITIATIVE:**

The Company is committed to creating and maintaining a secured work environment where its employees, agents, vendors can work and peruse business together in an atmosphere free of harassment, exploitation and intimidation. To empower women and protect women against sexual harassment the Company has in place a policy for prevention of sexual harassment and internal complaints. Committee as per legal guidelines has been set up. This policy allows employees to report sexual harassment at the workplace. The policy is gender neutral.

The Internal Committee is empowered to look into all complaints of sexual harassment and facilitates free and fair enquiry process with clear timelines.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **24. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All related party transactions were placed before the Audit committee and also the Board for approval. A detailed statement of such related party transactions entered into pursuant to the approval so granted are placed before the Audit Committee for their review on a quarterly basis. Suitable disclosure as required by the India Accounting Standards (Ind AS – 24) has been made in the

Notes to the Financial Statements. The Form No. AOC-2 is annexed to this Report as "Annexure A."

The Company has in place a Related Party Transactions Policy for the purpose of identification and Monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is available on the company's website at the web link: [https://frhl.in/upload/PDF/505\\_27\\_new\\_file\\_Related\\_Party\\_Transactions\\_Policy.pdf](https://frhl.in/upload/PDF/505_27_new_file_Related_Party_Transactions_Policy.pdf)

#### **25. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The brief outline of the Corporate Social Responsibility policy of the Company and the initiatives undertaken by your Company on CSR activities during the year are set out in Annexure B of this Report in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is available on the website of your Company at [https://frhl.in/upload/PDF/176\\_27\\_new\\_file\\_CSR\\_Policy\\_.pdf](https://frhl.in/upload/PDF/176_27_new_file_CSR_Policy_.pdf)

As a part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has contributed funds to an institute for empowering women from economically backward groups, undertaken welfare activities like providing food, groceries supporting old age homes in celebrating key events, etc. The Company has also provided employment enhancing vocational skills and donated funds for construction of an aided school building directly as part of the CSR initiative.

The amount spent on the CSR activities is annexed herewith as "Annexure B".

#### **26. SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary.

#### **27. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has revised the Whistle Blower Policy to insert "reporting of incidents of leak or suspected leak of unpublished price sensitive information (UPSI)" in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and the revised policy was approved by the Audit Committee and the Board at its respective meetings held on May 30, 2019 and has established the necessary Vigil mechanism for Directors and employees in conformation with Section 177(9) of the Act and Regulation 22 of the SEBI Listing Regulations, to report concerns about unethical behaviour. The Audit Committee and the Board at its respective meetings held on March 13, 2020 and March 14, 2020 also reviewed and amended the policy. The said policy is available on the Company's website at [https://frhl.in/upload/PDF/542\\_27\\_new\\_file\\_Policy\\_Vigil\\_Mechanism.pdf](https://frhl.in/upload/PDF/542_27_new_file_Policy_Vigil_Mechanism.pdf) and also forms part of the Directors Report as "Annexure C".

**28. INSIDER TRADING CODE:**

The Company has adopted an “Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons’ (“the Code”) in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters, Promoter’s Group, all Directors and such Designated Employees who are expected to have access to unpublished Price Sensitive Information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

The Company has also formulated “the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)’ in compliance with the PIT Regulations. This Code is displayed on the Company’s website viz. [www.frh1.in](http://www.frh1.in) . The Company has also formulated “Policy on Inquiry” in case of leak of UPSI.

**29. RISK MANAGEMENT:**

Although not mandatory, your Company has constituted a Risk Management Committee as a measure of good governance. The Risk Management Committee is responsible to frame, implement and monitor the risk management plan for the Company. The Committee reviews, the risk Management plan and ensures its effectiveness. The details of the Committee and its terms of reference are set out in the Corporate Governance Report.

Your Company has adopted a Risk management Policy, pursuant to the provisions of Section 134(3) (n) of the Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The objective of the Risk Management Policy is to identify the risks impacting the business and formulate strategies/policies aimed at risk mitigation as part of risk management.

The risk management framework is discussed in detail in the Management Discussion and Analysis report forming part of this Annual Report.

**30. NOMINATION AND REMUNERATION POLICY**

In accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the Listing Regulations, the policy on director’s appointment and remuneration, and Senior Management Personnel appointment and remuneration which has been formulated is enclosed as Annexure F and forms part of this Annual Report. The policy is also available on the Company’s website at [https://frh1.in/upload/PDF/302\\_27\\_new\\_file\\_Nomination\\_and\\_Remuneration\\_Policy-1.pdf](https://frh1.in/upload/PDF/302_27_new_file_Nomination_and_Remuneration_Policy-1.pdf). The policy was amended during the year under review. We affirm that the remuneration paid to directors is as per the terms laid out in the nomination and remuneration policy of the Company.

**31. TECHNOLOGY ABSORPTION AND CONSERVATION OF ENERGY:**

**(A) Technology Absorption:**

The Company is in hospitality industry. Its activities do not involve the absorption of technology as envisaged to be furnished pursuant to the Companies (Accounts) Rules, 2014.

During the year, the Company had continued its focus on energy conservation measures that include:

- (a) Installation of variable frequency drive for exhaust fans
- (b) Water harvesting and use of natural water resources.
- (c) Installation of timers for public areas and BOH house areas.
- d) Installation of aerators to reduce water consumption

Besides the above, the Company also took various operational measures to reduce energy consumption by:

- (a) Optimal use of lighting and other equipment,
- (b) Regulating of chilled water set points according to the ambient temperature,
- (c) Setting benchmarks for energy consumption by area
- (d) Regulating of hot water boiler setting according to the ambient legislations.

Actions planned for the next year include:

- (a) Sharing of chillers for both the hotels which will result in saving in electrical consumption.
- (b) Replacement of fluorescent lamps by energy efficient LED lamps,
- (c) Replacement of old fan coil units from the 8.4 meter rooms.
- (d) Replacement of motors with energy efficient motors.
- (e) Sharing the cooling towers for both the existing and upcoming hotels at Vainguinim , Goa which will result in saving in electrical consumption.
- (f) Replacement of hot water boilers with heat pumps which will result in saving of diesel cost .

**32. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the Financial Year 2019-20, the foreign exchange earnings of the Company amounted to Rs. 6.40 Crores as against Rs. 7.17 crores in the previous year. The expenditure in foreign exchange during the Financial Year 2019-20 was Rs. 18.07 Crores compared to Rs. 9.31 crores in the previous year.

**33. DIRECTORS’ RESPONSIBILITY STATEMENT:**

Based on the framework of internal financial controls established and maintained by the Company, work performed by the secretarial auditor, internal auditor, statutory auditor including audit of internal financial controls over financial reporting by statutory auditors and reviews performed by the management and relevant

board committees including the audit committee, the board is of the opinion that the company's internal financial controls were adequate and effective during the financial year 2019-20. Accordingly pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm that:

- a) In the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation related to material departures, if any ;
- b) Such accounting policies as mentioned in the notes to the financial statements have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and the profit and loss of the Company for the financial year ended March 31, 2020;
- c) The proper and sufficient care has been taken by them for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) The Annual accounts for the financial year ended March 31, 2020 have been prepared by them on a 'going concern' basis;
- e) Proper internal financial controls have been followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

### 34. EMPLOYEES

Relations between the management and the employees were cordial throughout the year. Your Directors are pleased to record their appreciation of the devotion and sense of commitment shown by all the employees in the organisation. As on March 31, 2020, the Company has an Organizational strength of 234 employees.

### 35. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

During the year under review, no significant material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations.

### 36. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION, IF ANY, OF THE COMPANY:

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees and on minimizing disruption to services for our customers and guests. From a centralized model consisting of work spaces capable of accommodating hundreds of employees, switched to work from home for employees. As of March 31, 2020, work from home was enabled to close to 95% of the employees to work remotely and securely.

The impact of Covid-19 on the Company's financial statements has been given in Note No. 48 of the Notes to financial statements for the year ended March 31, 2020 and the Company's response to the situation arising from this pandemic has been explained in the Management Discussion and Analysis, which forms part of the Annual Report.

### 37. COST RECORDS

The Company is not required to maintain cost records in accordance with Section 148 of the Act read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 as the services of the Company are not covered under the said rules.

### 38. POLICIES:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website <https://www.frhil.in>.

In addition to its Code of Conduct and Ethics, key policies adopted by the Company are as follows:

Name of the policy	Brief description	Web link
Whistleblower Policy (Policy on vigil mechanism)	The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspect fraud, or violation of the Company's code of conduct and ethics.	<a href="https://frhl.in/upload/PDF/542_27_new_file_Policy_Vigil_Mechanism.pdf">https://frhl.in/upload/PDF/542_27_new_file_Policy_Vigil_Mechanism.pdf</a>
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/ non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.	<a href="https://frhl.in/upload/PDF/302_27_new_file_Nomination_and_Remuneration_Policy-1.pdf">https://frhl.in/upload/PDF/302_27_new_file_Nomination_and_Remuneration_Policy-1.pdf</a>

Corporate Social Responsibility Policy	The policy intends to strive for economic development that impacts society at large, by promoting education, providing health care & destitute care.	<a href="https://frhl.in/upload/PDF/176_27_new_file_CSR_Policy_.pdf">https://frhl.in/upload/PDF/176_27_new_file_CSR_Policy_.pdf</a>
Policy on Material Subsidiaries	The policy is to determine the material subsidiaries and material non-listed Indian subsidiaries of the company and to provide the governance framework for them.	<a href="https://frhl.in/upload/PDF/232_27_new_file_Policy_on_Material_Subsidiaries.pdf">https://frhl.in/upload/PDF/232_27_new_file_Policy_on_Material_Subsidiaries.pdf</a>
Related Party Transaction Policy	The policy regulated all transactions between the Company and its related parties.	<a href="https://frhl.in/upload/PDF/505_27_new_file_Related_Party_Transactions_Policy.pdf">https://frhl.in/upload/PDF/505_27_new_file_Related_Party_Transactions_Policy.pdf</a>
Insider Trading Policy	The policy provides the framework in dealing with securities of the Company.	<a href="https://frhl.in/upload/PDF/359_10_new_file_Code_of_Internal_Procedures_Conduct_for_Insider_Trading-1.pdf">https://frhl.in/upload/PDF/359_10_new_file_Code_of_Internal_Procedures_Conduct_for_Insider_Trading-1.pdf</a>
Policy for Determining Materiality for Disclosures	This policy applies to disclosures of Material events affecting the Company.	<a href="https://frhl.in/upload/PDF/235_27_new_file_Policy_determining_Materiality_information_Event.pdf">https://frhl.in/upload/PDF/235_27_new_file_Policy_determining_Materiality_information_Event.pdf</a>
Document Retention and Archival Policy	The policy deals with the retention and archival of corporate records of Fomento Resorts and Hotels Limited.	<a href="https://frhl.in/upload/PDF/233_27_new_file_Archival_Policy.pdf">https://frhl.in/upload/PDF/233_27_new_file_Archival_Policy.pdf</a>

### 39. GREEN INITIATIVES

Electronic copies of the Annual Report 2019-20 and Notice of the 49th Annual General Meeting will be sent to all members whose email addresses are registered with the Company's RTA / Depositories. For members who have not registered their email addresses, Company will endeavour to dispatch physical copies of the Annual Report 2019-20 and the Notice of the 49th Annual General Meeting in the permitted mode.

Your Company provides e-voting facility to all its members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to the Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015.

### 40. CAUTIONARY STATEMENT

Risks, uncertainties or future actions could differ materially from those exposed in the Director's Report and the Management Discussion and Analysis Report. These statements are relevant

on the date of this Report. We have no obligation to update or revise any statements, whether as a result of new information, future developments or otherwise. Therefore, undue reliance should not be placed on these statements.

### 41. ACKNOWLEDGEMENTS

The Directors express gratitude to customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, cooperation and support.

We thank the Government of India, the State Governments and statutory authorities and other government agencies for their support and look forward to their continued support in the future.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risk their life and safety to fight this pandemic.

**For and on behalf of the Board of Directors**

Place: Vainguinim Beach – Goa  
Date: July 30, 2020

**Auduth Timblo**  
**Director & Non Executive Chairman**  
**DIN : 00181589**

**Anju Timblo**  
**Managing Director & CEO**  
**DIN : 00181722**

## ANNEXURE A

## PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH RELATED PARTIES

(A) [Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This form pertains to the disclosures of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**Details of Contracts / arrangements / transactions not at arm's length basis:**

There were no contracts / arrangements / transactions entered into during the year ended March 31, 2020, which were not at arm's length basis.

**Details of material contracts / arrangements / transactions at arm's length basis:**

The details of contracts / arrangements / transactions at arm's length basis for the year ended March 31, 2020 are as follows:

Sr. No.	Name of the Related Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount in lakhs
Nature of Contract					
<b>Sale of Services (Room, Food, beverages and other services)</b>					
1.	Sociedade de Fomento Industrial Pvt. Ltd.	(i) Mr. Auduth Timblo, Director and Non Executive Chairman is: a) Chairman and Managing Director of Sociedade de Fomento Industrial Pvt. Ltd. b) holds more than 2% equity shares in SFI c) Mrs. Anju Timblo, Managing Director & CEO of the Company is wife of Mr. Auduth Timblo. d) Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo & Mrs. Anju Timblo.	April 01, 2017 - March 31, 2020	N.A.	65.10
2.	Infrastructure Logistics Pvt. Ltd.	(i) Mr. Auduth Timblo, Director and Non Executive Chairman of the Company and Mrs. Anju Timblo, Managing Director & CEO of the Company are parents of Mr. Ambar Timblo, who's Trust is holding a substantial shareholding in Infrastructure Logistics Pvt. Ltd (ii) Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo & Mrs. Anju Timblo and brother of Mr. Ambar Timblo.	April 01, 2017 - March 31, 2020	N.A.	17.76

**Fomento Resorts and Hotels Limited**

Sr. No.	Name of the Related Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount in lakhs
3.	Fomento Resources Pvt. Ltd.	<p>(i) Mr. Ambar Timblo, Managing Director of Fomento Resources Pvt. Ltd. is</p> <p>(ii) a son of Mr. Auduth Timblo, Non Executive Chairman of the Company and Mrs. Anju Timblo, Managing Director &amp; CEO of the Company.</p> <p>(iii) Mr. Auduth Timblo and Mrs. Anju Timblo are also shareholders of Fomento Resources Private Limited.</p> <p>(iv) Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo &amp; Mrs. Anju Timblo and brother of Mr. Ambar Timblo.</p>	April 01, 2017 - March 31, 2020	N.A.	6.83
<b>Sharing of expenses</b>					
4.	Sociedade de Fomento Industrial Pvt. Ltd.	<p>i) Mr. Auduth Timblo, Director and Non Executive Chairman is:</p> <p>(ii) Chairman and Managing Director of Sociedade de Fomento Industrial Pvt. Ltd.</p> <p>(iii) holds more than 2% equity shares in SFI</p> <ul style="list-style-type: none"> <li>• Mrs. Anju Timblo, Managing Director &amp; CEO of the Company is wife of Mr. Auduth Timblo.</li> <li>• Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo &amp; Mrs. Anju Timblo.</li> </ul>	April 01, 2017 - March 31, 2020	Yearly at Actual	5.96
5.	Infrastructure Logistics Pvt. Ltd.	<ul style="list-style-type: none"> <li>• Mr. Auduth Timblo, Director and Non Executive Chairman of the Company and Mrs. Anju Timblo, Managing Director &amp; CEO of the Company are parents of Mr. Ambar Timblo, who's Trust is holding a substantial shareholding in Infrastructure Logistics Pvt. Ltd</li> <li>• Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo &amp; Mrs. Anju Timblo and brother of Mr. Ambar Timblo.</li> </ul>	April 01, 2017 - March 31, 2020	Yearly at Actual	-

Sr. No.	Name of the Related Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount in lakhs
6.	Fomento Resources Pvt. Ltd.	<p>❖ Mr. Ambar Timblo, Managing Director of Fomento Resources Pvt. Ltd. is</p> <p>(i) a son of Mr. Auduth Timblo, Non Executive Chairman of the Company and Mrs. Anju Timblo, Managing Director &amp; CEO of the Company.</p> <p>(ii) Mr. Auduth Timblo and Mrs. Anju Timblo are also shareholders of Fomento Resources Private Limited.</p> <p>(iii) Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo &amp; Mrs. Anju Timblo and brother of Mr. Ambar Timblo.</p>	April 01, 2017 - March 31, 2020	Yearly at Actual	1.02
<b>Interest</b>					
7.	Fomento Resources Pvt. Ltd.	<p>(i) Mr. Ambar Timblo, Managing Director of Fomento Resources Pvt. Ltd. is</p> <p>(ii) a son of Mr. Auduth Timblo, Non Executive Chairman of the Company and Mrs. Anju Timblo, Managing Director &amp; CEO of the Company.</p> <p>(iii) Mr. Auduth Timblo and Mrs. Anju Timblo are also shareholders of Fomento Resources Private Limited.</p> <p>(iv) Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo &amp; Mrs. Anju Timblo and brother of Mr. Ambar Timblo.</p>	-	N.A.	1261.20
<b>Purchase/Availing of Support services i.e. Purchase of newspapers, publishing advertisements</b>					
8.	Fomento Media, A Unit of Sociedade de Fomento Industrial Pvt. Ltd.	<p>i) Mr. Auduth Timblo, Director and Non Executive Chairman is:</p> <p>(ii) Chairman and Managing Director of Sociedade de Fomento Industrial Pvt. Ltd.</p> <p>(iii) holds more than 2% equity shares in SFI</p> <ul style="list-style-type: none"> <li>• Mrs. Anju Timblo, Managing Director &amp; CEO of the Company is wife of Mr. Auduth Timblo.</li> <li>• Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo &amp; Mrs. Anju Timblo.</li> </ul>	April 01, 2017 - March 31, 2020	At actual	0.36

## ***Fomento Resorts and Hotels Limited***

(B) Pursuant to Regulation 23 of SEBI (LODR) Regulations, 2015

### **Details of material contracts / arrangement / transaction at arm's length basis:**

The details of contracts / arrangements / transactions at arm's length basis for the year ended March 31, 2020 are as follows:

<b>Sr. No.</b>	<b>Name of the Related Party</b>	<b>Nature of Relationship</b>	<b>Duration of Contract</b>	<b>Salient Terms</b>	<b>Amount in lakhs</b>
<b>Inter Corporate Borrowings</b>					
9.	Fomento Resources Pvt. Ltd.	<ul style="list-style-type: none"><li>❖ Mr. Ambar Timblo, Managing Director of Fomento Resources Pvt. Ltd. is<ul style="list-style-type: none"><li>(i) a son of Mr. Auduth Timblo, Non Executive Chairman of the Company and Mrs. Anju Timblo, Managing Director &amp; CEO of the Company.</li><li>(ii) Mr. Auduth Timblo and Mrs. Anju Timblo are also shareholders of Fomento Resources Private Limited.</li></ul></li><li>❖ Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo &amp; Mrs. Anju Timblo and brother of Mr. Ambar Timblo.</li></ul>	As mutually agreed between the parties	Simple interest @ 11%	Rs. 207.08

**For and on behalf of the Board of Directors**

Place: Vainguinim Beach – Goa

Date: July 30, 2020

**Auduth Timblo**  
**Director & Non Executive Chairman**  
**DIN : 00181589**

**Anju Timblo**  
**Managing Director & CEO**  
**DIN : 00181722**

## Annexure B

### CSR Report

1	A brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	<p>The Company has framed its CSR policy in compliance with the policies of the Company's Act, 2013. The Company's CSR policy intends to strive for economic development that positively impacts the society at large, by promoting education, eradicating hunger, providing health care &amp; destitute care, sustainability related initiatives and other welfare activities. The CSR activities at Fomento Resorts and Hotels Limited for F.Y 2019-20 were carried directly by the Company.</p> <p>The policy of the Company is available at <a href="https://frhl.in/upload/PDF/176_27_new_file_CSR_Policy_.pdf">https://frhl.in/upload/PDF/176_27_new_file_CSR_Policy_.pdf</a></p>
2	The Composition of the CSR Committee	<ol style="list-style-type: none"> <li>1. Mr. Reyaz Mama</li> <li>2. Mr. Jamshed Delvadavala</li> <li>3. Mrs. Anju Timblo</li> </ol>
3	Average Net profit of the Company for last three financial years (Amount in lakhs)	Rs. <b>1696.60</b> lakhs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above) (Amount in lakhs)	Rs. 33.93 lakhs
5	<p>Details of CSR spent during the financial year :</p> <ol style="list-style-type: none"> <li>1. Total amount spent for the F.Y.</li> <li>2. Amount unspent, if any;</li> <li>3. Manner in which the amount spent during the financial year is detailed below:</li> </ol>	<p>Rs. 34.00 lakhs</p> <p>N.A.</p>

1	2	3	4	5	6	7	8
S. No.	CSR project or activity Identified	Sector in which the project is covered	<p>Projects or Programs</p> <p>(1) Local area or other</p> <p>(2) Specify the state and district where projects or programs were undertaken</p>	Amount outlay (budget) project or program wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Promoting Education by providing contribution	(1) Contribution to construct a school building for promoting education	In the state of Goa	28,00,000	27,50,000	27,50,000	Direct

**Fomento Resorts and Hotels Limited**

1	2	3	4	5	6	7	8
S. No.	CSR project or activity Identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
2.	Eradicating hunger, poverty & malnutrition and Welfare	Welfare activities undertaken based on local needs and requests which includes providing food, groceries, supporting old age homes in celebrating key events	In the state of Goa	90,000	39,917	39,917	Direct
3.	Donation to Sanjeevan Society	Training and empowering women from economically backward groups, vocational skilling and promotion of livelihoods	In the state of Goa	5,00,000	6,09,811	6,09,811	Direct
	<b>Total</b>			<b>33,90,000/-</b>	<b>33,99,728/-</b>	<b>33,99,728/-</b>	

The CSR committee confirms that the implementation of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

**For and on behalf of the Board of Directors**

**Anju Timblo**  
**Managing Director & CEO**  
**DIN : 00181722**

**Reyaz Mama**  
**Chairman - CSR Committee**  
**DIN : 02130452**

Place: Vainguinim Beach – Goa  
 Date: July 30, 2020

## Annexure C

### 1. PREAMBLE

- 1.1. Section 177 (9) of the Companies Act, 2013 requires every listed company to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company had adopted a Code of Conduct for Directors and Senior Management (“the Code”), which lays down the principles and standards that should govern their actions. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company and should be brought to the attention of the concerned. A vigil mechanism shall provide for adequate safeguards against victimization of persons who can also use such mechanism for reporting genuine concerns including above. It also makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.
- 1.2. Regulation 21 of SEBI (LODR) Regulations, 2015 of the Listing regulations between listed companies and the Stock Exchanges, inter alia, mandates all listed companies to establish a mechanism called ‘Whistle Blower Policy’ for employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the company’s code of conduct.
- 1.3. Under these circumstances, the Company, being a Listed Company proposes to establish a Whistle Blower Policy/ Vigil Mechanism and to formulate a policy for the same.

### 2. DEFINITIONS

- a. **“Alleged wrongful conduct”** shall mean violation of law, Infringement of Company’s rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority”.
- b. **“Audit Committee”** means a Committee constituted by the Board of Directors of the Company in accordance with the guidelines of Listing Agreement and Companies Act, 2013.
- c. **“Board”** means the Board of Directors of the Company.
- d. **“Code”** means Code of Conduct for Directors and Senior management adopted by Fomento Resorts and Hotels Limited
- e. **“Employee”** means all the present employees and Whole Time Directors of the Company (Whether working in India or abroad).
- f. **“Protected Disclosure”** means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. It should be factual and not speculative or in the nature of an interpretation/ conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- g. **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- h. **“Vigilance and Ethics Officer”** means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- i. **“Whistle Blower”** is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

### 3. POLICY OBJECTIVES

- 3.1 The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- 3.2 The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.
- 3.3 A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/ Managing Director/ Chairman of the Audit Committee in exceptional cases.

- 3.4 This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

#### **4. The Guiding Principles**

- 4.1 To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:
- 4.2 Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
- 4.3 Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
- 4.4 Ensure complete confidentiality.
- 4.5 Not attempt to conceal evidence of the Protected Disclosure;
- 4.6 Take disciplinary action, if anyone destroys or conceals evidence of the Protected Disclosure made/to be made; Provide an opportunity of being heard to the persons involved especially to the Subject;

#### **5. SCOPE**

- 5.1 The Policy covers malpractices and events which have taken place/ suspected to take place involving:
- Abuse of authority
  - Breach of contract
  - Negligence causing substantial and specific danger to public health and safety
  - Manipulation of Company data/records
  - Financial irregularities, including fraud, or suspected fraud
  - Criminal offence
  - Pilferation of confidential/propriety information
  - Deliberate violation of law/regulation
  - Wastage/misappropriation of Company funds/assets
  - Breach of employee Code of Conduct or Rules
- 5.2 The Policy is a channel to reinforce a robust implementation of the Company's Code.

Through this Policy, the Company seeks to provide a procedure for all the employees of the Company to disclose any unethical and improper practice taking place in the Company for appropriate action and reporting.

#### **6. DISQUALIFICATIONS**

- 6.1 While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- 6.2 Protection under this Policy would not mean protection from disciplinary action arising out of false allegations made by a Whistle Blower knowing it to be false or with a mala fide intention.
- 6.3 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious shall be liable to be prosecuted under Company's Code of Conduct.

#### **7. ELIGIBILITY**

All Employees of the Company including Directors are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

All Employees of the Company are eligible to report any instance of leak of Unpublished Price Sensitive Information.

#### **8. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES.**

- 8.1 All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.
- 8.2 The Protected Disclosure should be submitted in a closed and secured envelope and should be superscribed as "**Protected disclosure under the Whistle Blower policy**". Alternatively, the same can also be sent through email with the subject "**Protected disclosure under the Whistle Blower policy**". If the complaint is not superscribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Vigilance and Ethics Officer will not issue any acknowledgment to the complainants and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance and Ethics Officer. The Vigilance and Ethics Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

8.3 Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance and Ethics Officer.

8.4 The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance and Ethics Officer / Chairman of the Audit Committee/ Managing Director/ Chairman as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

8.5 All Protected Disclosures should be addressed to the Vigilance and Ethics Officer or to the Chairman of the Audit Committee/ Managing Director/ Chairman in exceptional cases. The contact details of the Vigilance and Ethics Officer is as under:-

**Name – Mr. Ramu Vemulapally**

**Designation: HR Director**

**Address: Cidade de Goa, Vainguinim Beach,  
Goa - 403004**

**Email- whistleblower@frhl.in**

8.6 Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Chairman of the Company and the Protected Disclosure against the Chairman of the Company should be addressed to the Chairman of the Audit Committee. The contact details of the Chairman, Managing Director and the Chairman of the Audit Committee are as under:

**Name and Address of Chairman**

Mr. Auduth Timblo

Address: Fomento Resorts and Hotels Limited,  
Cidade de Goa,  
Vainguinim beach,  
Goa – 403004

**Name and Address of Managing Director**

Mrs. Anju Timblo

Address: Fomento Resorts and Hotels Limited,  
Cidade de Goa,  
Vainguinim beach,  
Goa - 403004

**Name and Address of the Chairman of the Audit Committee**

Mr. Jamshed Delvadavala

Address: Fomento Resorts and Hotels Limited,  
Cidade de Goa,  
Vainguinim beach,  
Goa - 403004

8.7 On receipt of the protected disclosure the Vigilance and Ethics Officer / Chairman / Managing Director / Chairman of the Audit Committee, as the case may be, shall make a

record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

- i. Brief facts;
- ii. Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- iii. Whether the same Protected Disclosure was raised previously on the same subject;
- iv. Details of actions taken by Vigilance and Ethics Officer / Chairman/ Managing Director for processing the complaint
- v. Findings of the Audit Committee
- vi. The recommendations of the Audit Committee/ other action(s).
- vii. The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

**9. INVESTIGATION**

9.1 All Protected Disclosures under this policy will be recorded and thoroughly investigated.

The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.

9.2 The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.

9.3 Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

9.4 Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.

9.5 Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower.

- 9.6 Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- 9.7 Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 9.8 Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- 9.9 The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.
- 9.10 Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.
- 10. DECISION AND REPORTING**
- 10.1 If an investigation leads the Vigilance and Ethics Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer / Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as they may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
- 10.2 The Vigilance and Ethics Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- 10.3 In case the Subject is the Chairman/Managing Director of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
- 10.4 If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.
- 10.5 A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance and Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.
- 10.6 A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.
- 11. SECRECY/CONFIDENTIALITY**
- The complainant, Vigilance and Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:
- i. Maintain confidentiality of all matters under this Policy
  - ii. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
  - iii. Not keep the papers unattended anywhere at any time.
  - iv. Keep the electronic mails / files under password.
- 12. CONFIDENTIALITY & PROTECTION**
- 12.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties / functions including making further Protected Disclosure. The company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

12.2 A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

12.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.

12.4 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

12.5 Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

### **13. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

### **14. COMMUNICATION**

A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the company.

### **15. RETENTION OF DOCUMENTS**

All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

### **16. ADMINISTRATION AND REVIEW OF THE POLICY**

The Board of Directors shall be responsible for the administration, interpretation, application and review of this policy. The Board also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

### **17. AMENDMENT**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.

*The policy has been amended on May 30, 2019 and further reviewed and amended on March 14, 2020*

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**Annexure D**

Form No. MGT - 9

Extract of Annual Return

as on the financial year ended on March 31<sup>st</sup>, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

1.	CIN	L55101GA1971PLC000113
2.	Registration Date	March 30, 1971
3.	Name of the Company	Fomento Resorts and Hotels Limited
4.	Category/Sub-Category of the Company	Public Company limited by shares
5.	Whether listed Company (Yes/No)	Yes
6.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited Unit: Fomento Resorts and Hotels Limited Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Next to Keys Hotel, Marol Maroshi Road, Andheri (E), Mumbai - 400059  Phone No. 022-62638200 Fax No. 022-62638299 Email id: investor@bigshareonline.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the Company
1.	Short Term Accommodation Activities	551	60
2.	Restaurant & Mobile Food Service Activities	561	34.25

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary of the Company	% of shares held	Applicable Section
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(a) Category-wise Share Holding.**

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters and Promoter Group</b>									
<b>1. Indian</b>									
a. Individual/HUF	1,19,99,768	Nil	1,19,99,768	75%	1,19,99,768	Nil	1,19,99,768	75%	0.00
b. Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c. State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d. Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e. Bank/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f. Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i. Directors Relatives	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii. Group Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
iii. Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total- A(1)</b>	<b>1,19,99,768</b>	<b>Nil</b>	<b>1,19,99,768</b>	<b>75%</b>	<b>1,19,99,768</b>	<b>Nil</b>	<b>1,19,99,768</b>	<b>75%</b>	<b>0.00</b>
<b>2. Foreign</b>									
a. NRI-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. Body Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c. Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d. Qualified Foreign Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e. Any Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub Total –A(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Share Holding of Promoters (A)=(A)(1)+(A) (2)</b>	<b>1,19,99,768</b>	<b>Nil</b>	<b>1,19,99,768</b>	<b>75%</b>	<b>1,19,99,768</b>	<b>Nil</b>	<b>1,19,99,768</b>	<b>75%</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institution</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a. Mutual Funds/UTI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. Bank/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c. Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d. State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e. Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f. Insurance Co.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g. FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h. Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i. Qualified Foreign Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
j. Foreign Portfolio Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
k. Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-Total-B (1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>0.00</b>
<b>2. Non- Institution</b>									
a. Body Corp.	27,332	14,300	41,632	0.26	20,345	14,200	34,545	0.22	(0.04)
b. Individual									
(i) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	32,92,991	Nil	32,92,991	20.58	32,66,277	Nil	32,66,277	20.41	(0.17)
(ii) Individual shareholders holding nominal share capital upto Rs. 1 Lakhs	1,89,154	2,43,668	4,32,822	2.71	2,30,185	2,12,542	4,42,727	2.77	0.06
c. Qualified Foreign Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.00
d. Any others (specify)									
i. Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.00
ii. Clearing Members	2,767	Nil	2,767	0.02	28,823	Nil	28,823	0.18	0.16

## Fomento Resorts and Hotels Limited

iii. Directors / Relatives of Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.00
iv. Employee	165	Nil	165	0.00	155	Nil	155	Nil	(0.00)
v. Non Resident Indians (NRI)	12,243	1,18,845	1,31,088	0.82	16,818	1,03,345	1,20,163	0.91	(0.09)
vi. Overseas Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.00
vii. Hindu Undivided Families	3,242	200	3,442	0.02	4,531	200	4,731	0.03	0.01
viii.									
ix. IEPF	95,325	-	95,325	0.60	1,02,811	Nil	1,02,811	0.64	0.05
<b>Sub-Total B (2)</b>	<b>36,23,219</b>	<b>3,77,013</b>	<b>40,00,232</b>	<b>25.00</b>	<b>36,69,945</b>	<b>3,30,287</b>	<b>40,00,232</b>	<b>25.00</b>	<b>(0.00)</b>
Total Public Shareholding (B) = (B)(1) + (B) (2)	<b>36,23,219</b>	<b>3,77,013</b>	<b>40,00,232</b>	<b>25.00</b>	<b>36,69,945</b>	<b>3,30,287</b>	<b>40,00,232</b>	<b>25.00</b>	<b>(0.00)</b>
Total (A) + (B)	<b>1,56,22,987</b>	<b>3,77,013</b>	<b>1,60,00,000</b>	<b>100.00</b>	<b>1,56,69,713</b>	<b>3,30,287</b>	<b>40,00,232</b>	<b>100.00</b>	<b>(0.00)</b>
C. Shares held by Custodian and against which Depository Receipts have been issued									
(a) Shares Held by Custodians	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i) Promoter and Promoter Group	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub Total ( C)(1): (C)=(C)(1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Grand Total (A+B+C)</b>	<b>1,56,22,987</b>	<b>3,77,013</b>	<b>1,60,00,000</b>	<b>100.00</b>	<b>1,56,69,713</b>	<b>3,30,287</b>	<b>40,00,232</b>	<b>100.00</b>	<b>(0.00)</b>

### (b) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 1st April, 2019			Shareholding at the end of the year 31st March, 2020			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	
1.	Mrs. Anju Timblo*	98,87,629	61.80%	Nil	98,87,629	61.80%	Nil	No Change
2.	Mr. Auduth Timblo*	21,12,139	13.20%	Nil	21,12,139	13.20%	Nil	No Change
		1,19,99,768	75.00%	Nil	1,19,99,768	75.00%	Nil	

\* Note : Mr. Auduth Timblo & Mrs. Anju Timblo are also Directors of the Company.

### (c) Change in Promoter's Shareholding (Please specify, if there is no change)

There is no change in the shareholding of the Promoters.

### (d) Shareholding Pattern of top ten shareholders (other than Directors and Promoters)

Sr. No.	Name of the Shareholders	Date	Changes in the shareholdings (-) denotes Sale/ transfer and (+) denotes Purchase	Reason	No. of shares at the beginning / End of the year		Cumulative Shareholding during the year	
					Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
1	Dhanesh Suresh Ajmera	01-04-2019	0		817150	5.11	817150	5.11
		31-03-2020	0		817150	5.11	817150	5.11
2	Siddharth Suresh Ajmera	01-04-2019	0		817100	5.11	817100	5.11
		31-03-2020	0		817100	5.11	817100	5.11
3	Vasupujya Corporation (Shares are held by Mr. Ajmera Suresh Jayantilal jointly with Mr. Dhanesh Ajmera & Mr. Siddharth Ajmera)	01-04-2019	0		817100	5.11	817100	5.11
		31-03-2020	0		817100	5.11	817100	5.11

Sr. No.	Name of the Shareholders	Date	Changes in the shareholdings (-) denotes Sale/transfer and (+) denotes Purchase	Reason	No. of shares at the beginning / End of the year		Cumulative Shareholding during the year	
					Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
4	Ajmera Suresh Jayantilal	01-04-2019	0		817100	5.11	817100	5.11
		21-02-2020	-200000	Sell		3.86	617100	3.86
		31-03-2020	0		617100	3.86	617100	3.86
5	Rasesh Hasmmukh Shah	01-04-2019		Sell	0	0	0	0
		21-02-2020	200000	Buy		1.25	200000	1.25
		31-03-2020	-27275	Sell		1.08	172725	1.08
		31-03-2020	0		172725	1.08	172725	1.08
6	Investor Education And Protection Fund Authority Ministry of Corporate Affairs	01-04-2019	0		95325	0.6	95325	0.6
		29-11-2019	7486	Transfer		0.64	102811	0.64
		31-03-2020	0		102811	0.64	102811	0.64
7	ACML Capital Markets Limited	01-04-2019		Sell	0	0	0	0
		31-12-2019	1	Buy		0	1	0
		03-01-2020	-1	Sell		0	0	0
		31-03-2020	0		27275	0.17	27275	0.17
		31-03-2020	27275	Buy		0.17	27275	0.17
8	Jayesh Bhupendra Shroff	01-04-2019	0		13200	0.08	13200	0.08
		31-03-2020	0		13200	0.08	13200	0.08
9	Anmol Gobindram Sekhri	01-04-2019	0		6728	0.04	6728	0.04
		05-04-2019	1751	Buy		0.05	8479	0.05
		12-04-2019	1154	Buy		0.06	9633	0.06
		19-04-2019	229	Buy		0.06	9862	0.06
		26-04-2019	776	Buy		0.07	10638	0.07
		03-05-2019	325	Buy		0.07	10963	0.07
		10-05-2019	1000	Buy		0.07	11963	0.07
		31-05-2019	85	Buy		0.08	12048	0.08
		21-06-2019	57	Buy		0.08	12105	0.08
		26-07-2019	531	Buy		0.08	12636	0.08
		20-03-2020	-100	Sell		0.08	12536	0.08
		27-03-2020	-22	Sell		0.08	12514	0.08
31-03-2020	0		12514	0.08	12514	0.08		
10	Sundeep Arjun Karna (HUF)	01-04-2019	0		11391	0.07	11391	0.07
		12-04-2019	-110	Sell		0.07	11281	0.07
		26-04-2019	-1259	Sell		0.06	10022	0.06
		03-05-2019	-500	Sell		0.06	9522	0.06
		30-09-2019	208	Buy		0.06	9730	0.06
		04-10-2019	26	Buy		0.06	9756	0.06
		11-10-2019	11	Buy		0.06	9767	0.06

**Fomento Resorts and Hotels Limited**

Sr. No.	Name of the Shareholders	Date	Changes in the shareholdings (-) denotes Sale/transfer and (+) denotes Purchase	Reason	No. of shares at the beginning / End of the year		Cumulative Shareholding during the year	
					Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
		18-10-2019	195	Buy		0.06	9962	0.06
		25-10-2019	98	Buy		0.06	10060	0.06
		01-11-2019	181	Buy		0.06	10241	0.06
		29-11-2019	-735	Sell		0.06	9506	0.06
		13-12-2019	-51	Sell		0.06	9455	0.06
		03-01-2020	156	Buy		0.06	9611	0.06
		10-01-2020	100	Buy		0.06	9711	0.06
		17-01-2020	580	Buy		0.06	10291	0.06
		24-01-2020	515	Buy		0.07	10806	0.07
		31-01-2020	775	Buy		0.07	11581	0.07
		07-02-2020	1	Buy		0.07	11582	0.07
		14-02-2020	25	Buy		0.07	11607	0.07
		28-02-2020	288	Buy		0.07	11895	0.07
		06-03-2020	-240	Sell		0.07	11655	0.07
		13-03-2020	297	Buy		0.07	11952	0.07
		31-03-2020	0		11952	0.07	11952	0.07
11	Sanjiv D. Shah	01-04-2019	0		9850	0.06	9850	0.06
		31-03-2020	0		9850	0.06	9850	0.06
12	Dileep Verleker	01-04-2019	0		6700	0.04	6700	0.04
		31-03-2020	0		6700	0.04	6700	0.04
13	V.P. Raikar	01-04-2019	0		6700	0.04	6700	0.04
		31-03-2020	0		6700	0.04	6700	0.04
14	Pratik Nowlakha	01-04-2019	0		5748	0.04	5748	0.04
		31-03-2020	0		5748	0.04	5748	0.04

**V. Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Director/ Key Managerial Personnel	Shareholding at the beginning of the year - 1st April, 2019		Shareholding at the end of the year - 31st March, 2020	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mrs. Anju Timblo	98,87,629	61.80%	98,87,629	61.80%
2	Mr. Auduth Timblo	21,12,139	13.20%	21,12,139	13.20%
3	Mr. Jamshed Delvadavala	Nil	Nil	Nil	Nil
4	Mr. Reyaz Mama	Nil	Nil	Nil	Nil
5	Mr. Vinayak Padwal	Nil	Nil	Nil	Nil
6	Mr. Sujjain Talwar#	Nil	Nil	Nil	Nil
7	Mr. M.A. Hajare	Nil	Nil	Nil	Nil
8	Ms. Asmeeta Matondkar	Nil	Nil	Nil	Nil

Mr. Sujjain Talwar is appointed as an Additional Director w.e.f. March 14, 2020.

**VI. Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Particulars	Secured Loans Excluding Deposits (Amount in Rs.)	Unsecured Loans (Amount in Rs.)	Deposits	Total Indebtedness (Amount in Rs.)
Indebtedness at the beginning of the financial year 01.04.2019				
1) Outstanding Principal Amount(at amortized cost)	79,00,96,000	1,82,53,29,335	-	2,61,54,25,335
2) Interest due but not paid	-	30,11,72,401	-	30,11,72,401
3) Interest accrued but not due	-	1,71,26,750	-	1,71,26,750
Total of (1+2+3)	79,00,96,000	2,14,36,28,486	-	2,93,37,24,486
Change in Indebtedness during the financial year				
+ Addition	2,79,26,25,904	17,07,07,800	-	
- Reduction	-	-15,00,00,000	-	
Equity Component of preference Shares (Refer Note 14.2 of Financials)	-	-15,11,30,000	-	
Net Change	-	-13,04,22,200	-	
Indebtedness at the end of the financial year – 31.03.2020				
1) Outstanding Principal (at amortized cost)	2,80,05,26,000	1,69,49,07,135	-	
2) Interest due but not paid	-	41,45,79,115	-	
3) Interest accrued but not due	-	2,20,98,750	-	
Total of (1 + 2 + 3 + 4)	2,80,05,26,000	2,13,15,85,000	-	4,93,21,11,000

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-Time Director and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD & CEO	Total Amount (Rs. in lakhs)
		Mrs. Anju Timblo	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	48,00,000	48,00,000
	(b) Value of perquisites U/s 17(2) Income Tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	- As % of Profit		
	- Others, specify	Nil	Nil
5.	Others, please specify Provident Fund & Other Funds	5,76,000	5,76,000
	Performance Bonus	Nil	Nil
	Total (A)	53,76,000	53,76,000
	Ceiling as per the Act	5% of net profit of the Company	

## Fomento Resorts and Hotels Limited

### B. Remuneration to other Directors (Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount in Rs.
		Mr. Auduth Timblo	Mr. Jamshed Delvadavala	Mr. Reyaz Mama	Mr. Vinayak Padwal	Mr. Sujjain Talwar \$	
1	<b>Independent Directors</b>						
	Fees for attending board/committee meetings	-	1,25,000	110,000	1,00,000	10,000	3,45,000
	Commission	-	Nil	Nil	Nil	-	Nil
	Others, please specify	-	Nil	Nil	Nil	-	Nil
	Total (1)	-	125,000	110,000	1,00,000	10,000	345,000
2	<b>Other Non – Executive Directors</b>						
	Fees for attending board/committee meetings	30,000	-	-	-	-	30,000
	Commission						
	Others, please specify						
	Total (2)						
	Total (B) = (1 + 2)						
	Total Managerial Remuneration						3,75,000
	Overall Ceiling as per the Act	1% of net profits of the Company					

\$ Mr. Sujjain Talwar was appointed as Additional Director w.e.f. March 14, 2020.

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount in Rs.
		CFO	Company Secretary	
		Amount in Rs.	Amount in Rs.	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	9,50,000	17,62,954	27,12,954
	(b) Value of perquisites U/s 17(2) Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - As % of profit - Others, specify..	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total ( C )	9,50,000	17,62,954	27,12,954

**VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD/ NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding		NIL			
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

**For and on behalf of the Board of Directors**

Place: Vainguinim Beach – Goa  
Date: July 30, 2020

**Auduth Timblo**  
**Director & Non Executive Chairman**  
**DIN : 00181589**

**Anju Timblo**  
**Managing Director & CEO**  
**DIN : 00181722**

**ANNEXURE E  
MANAGERIAL REMUNERATION**

**(A) (1) Details pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

a) The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2019-20 as follows:

Sr. No.	Name of the Director	Ratio of remuneration of Director to the Median remuneration
1	Mrs. Anju Timblo	21.80 : 01
2	Mr. Auduth Timblo	NA
3	Mr. Jamshed Delvadavala	NA
4	Mr. Reyaz Mama	NA
5	Mr. Vinayak Manohar Padwal	NA
6	Mr. Sujjain Talwar	NA

b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-20 as follows:

Sr. No.	Name of the Director/KMP	Increase
		%
1	Mrs. Anju Timblo\$	Nil
2	Mr. Auduth Timblo	NA
3	Mr. Jamshed Delvadavala	NA
4	Mr. Sujjain Talwar	NA
5	Mr. Reyaz Mama	NA
6	Mr. Vinayak Manohar Padwal	NA
7	Mr. M.A. Hajare&	Nil
8	Ms. Asmeeta Matondkar	Nil

\$ There has been no increase in the remuneration paid to the Managing Director & CEO for the financial year 2019-20.

& There has been no increase in the remuneration paid to the Chief Financial Officer and Company Secretary for the financial year 2019-20.

c)	The percentage decrease in the median remuneration of employees (excluding resigned and employed part of the year) in financial year 2019-20	(7)%
d)	The number of permanent employees on the rolls of the Company as on March 31, 2020	234 Employees
e)	The explanation on the relationship between average increase in remuneration and performance of the Company.	The decrease in average remuneration of all employees in the financial year 2019-20 as compared to the financial year 2018-19 was (13.45%) (% excludes employees resigned and employed part of the year).  The turnover of the Company increased by 4.80% & profit before exceptional and extraordinary item and tax decreased by 38.73%.

f)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	The profit before exceptional and extraordinary item and tax decreased by 38.73% in 2019-20, compared to 2018-19. The remuneration of KMPs is 1.11% of the total revenue.
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g) Affirmation that the remuneration is as per the Remuneration Policy of the Company;

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of your Company.

**(2) Statement showing particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**(A) Statement showing names of Top Ten employees of the Company in terms of Remuneration drawn:**

Sr. No.	Name	Designation
1	Mrs. Neeta Brid	General Manager
2	Mr. Satish Agrahar	Financial Controller
3	Mr. Vineet Soni	Resident Manager
4	Mr. Suraj Latkar	Chief Engineer
5	Mrs. Velina D'Souza	Associate Director of Sales
6	Mr. Keith Pinto	Director of Sales
7	Mrs. Asmeeta Matondkar	Company Secretary
8	Mr. Ajay Nayak	Sales Manager
9	Mr. Sham Wagle	General Manager
10	Mr. Devendra Dhuri	Sr. Project Manager

**(B) Persons employed for the full year ended March 31, 2020 who were in receipt of the remuneration which in the aggregate was not less than Rs. 1,02,00,000/- p.a.**

Sr.No.	Employee Name	Designation	Gross Remuneration* (in Rupees)	Qualification	Total Exp. in Years	Date of commencement of Employment	Age in Years	Last Employer & Designation Held
Not Applicable								

There was no Person employed for the full year ended March 31, 2020 who was in receipt of the remuneration which in the aggregate was not less than Rs. 8,50,000/- p.m.

**(C) Persons employed for part of the year ended March 31, 2020 who were in receipt of the remuneration which in the aggregate was not less than Rs. 8,50,000/- p.m.**

Sr.No.	Employee Name	Designation	Gross Remuneration* (in Rupees)	Qualification	Total Exp. in Years	Date of commencement of Employment	Age in Years	Last Employer & Designation Held
Not Applicable								

There was no Person employed for the part of the year ended March 31, 2020 who was in receipt of the remuneration which in the aggregate was not less than Rs. 8,50,000/- p.m.

(D) Persons employed throughout the financial year or part thereof of the year ended March 31,2020 who were in receipt of the remuneration which in the aggregate is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent children not less than 2% of the equity shares of the Company.

Sr. No.	Employee Name	Designation	Gross Remuneration* (in Rupees)	Qualification	Nature of employment (Contractual or otherwise)	Total Exp. in Years	Date of commencement of Employment	Age in Years	Last Employer & Designation Held	Percentage of Equity shares held by the Employee in the Company	Whether relative of Director/ Manager, if so name of such Director/ manager
					Not Applicable						

## Annexure F

### 1. Preamble

1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors (“Board”), Key Managerial Personnel (“KMP”) and the Senior Management Personnel (“SMP”) of the Company (collectively referred to as “**Managers and Executives**”). The expression “Senior Management” means Officers/Personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager( including CEO/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

### 2. Aims & Objectives

#### 2.1 **The aims and objectives of this remuneration policy may be summarized as follows:**

- 2.1.1 To formulate a criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director(executive/non-executive) and recommend to the Board policies relating to remuneration of directors, KMPs and other employees.
- 2.1.2 To formulate a criteria for evaluation of performance of all the directors on the Board;
- 2.1.3 To devise a policy on Board diversity.
- 2.1.4 The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members at the Managerial level to pursue the Company’s long term growth.
- 2.1.5 The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account industry standards and performance of the Company.
- 2.1.6 The remuneration policy will ensure that remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### 3. Principles of remuneration

- 3.1 **Support for Strategic Objectives:** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company’s vision and strategy.
- 3.2 **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 3.3 **Internal equity:** The Company shall remunerate the board members and the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 3.4 **External equity:** The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people and the influence of external remuneration pressures.
- 3.5 **Performance-Driven Remuneration:** The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- 3.6 **Affordability and Sustainability:** The Company shall ensure that remuneration is affordable on a sustainable basis.

### 4. Nomination and Remuneration Committee

- 4.1.1 The Remuneration Committee of the Board of Directors shall be reconstituted and re-named as Nomination and Remuneration Committee. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.
- 4.1.2 The quorum for a meeting of the Nomination and Remuneration committee shall be either two members or one third of the members of the Committee, whichever is greater, including at least one Independent Director in attendance.

#### 4.2 The Committee shall be responsible for

- 4.2.1 Selection of Board of Directors (MD/WTD/ED/NED), CEO, KMP’s and Senior Management Executives.

4.2.2 Formulating framework for remuneration, terms of employment including service contracts, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;

4.2.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and terms of remuneration for the Directors.

4.2.3 Identifying persons who are qualified to become directors and who may be appointed as Executives in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out their evaluation.

4.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

**4.3 The Committee shall:**

4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;

4.3.2 ensure that all provisions regarding disclosure of remuneration, are fulfilled;

4.3.3 obtain reliable, up-to-date information about remuneration in other companies;

4.3.4 ensure that no Director or Executive is involved in any decisions as to their own remuneration.

4.3.5 review the terms of Executive Directors' service contracts from time to time.

**4.4. Periodicity of the Meeting:**

The Nomination and Remuneration Committee shall meet at least once in a year .

**5. Procedure for selection and appointment of the Board Members:**

**5.1 Board membership criteria**

The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, academics, experience and insights in sectors areas relevant to the Company, finance, economics, law and an ability to contribute to the Company's growth.

In evaluating the suitability of individual Board members, the Committee takes into account educational and professional background, experience and personal achievements.

In addition, Directors must be willing to devote sufficient time in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

The Company shall not appoint or continue the employment of any person as Managing Director or Whole- Time Director who has attained the age of 70(seventy years) and the Non Executive Director who has attained the age of 75(seventy five years), Provided that the term of the person holding this position(s) may be extended beyond the age of seventy/seventy five years as the case may be with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy/seventy five years.

The Committee shall confirm and verify that a person proposed for appointment as Director is not debarred from holding the office of Director pursuant to any SEBI order and in case an existing Director is restrained from acting as a director by virtue of any SEBI order or any other such authority, the committee shall intimate such Director for his/her voluntarily resignation with immediate effect and if such Director does not resign then in that case committee shall inform the Board to initiate the process of removal of such director in terms of relevant sections of the Companies Act, 2013.

**A person shall not be a Director in more than eight listed entities with effect from April 1, 2019 and in not more than seven listed entities with effect from April 1, 2020. A person shall not serve as an Independent Director in more than seven listed entities.**

A person who is serving as a Whole Time Director/ Managing Director in any listed entity shall serve as an Independent Director in not more than three listed entities.

**5.2 Selection of Board Members/ extending invitation to a potential Director to join the Board**

One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board.

The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company.

The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the company so as to enable the Board to discharge its function and duties effectively.

The Committee shall also ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

**6. Procedure for selection and appointment of Executives other than Board Members**

- 6.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;
- 6.2 The Committee may conduct a wide-ranging search for candidates for the positions of Employees within the Company, its group companies and on the human resources market;
- 6.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- 6.4 A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of the Employees;

6.5 Before the selection of Employee, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;

6.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

**7. Compensation Structure**

**(a) Remuneration to Non-Executive Directors:**

The Non-Executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and other Committee meetings. A sitting fee of Rs. 10,000/- per meeting is paid to every Board member for attending Board meeting. A sitting fee of Rs. 10,000/- per meeting is also paid to Non Executive Directors for attending the Audit Committee meeting.

However, sitting fees for attending other Committee meetings i.e. Nomination and Remuneration Committee, Stakeholders Grievance Committee meeting, Risk Management Committee, Corporate Social Responsibility Committee is Rs. 5,000/- per meeting. No fees are paid/will be paid to the Independent Directors for attending a separate meeting of the Independent Directors. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-Executive Directors of the Company are not paid any other remuneration or commission.

The sitting fees of the Non-Executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified or implemented from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013.

**(b) Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs) other than Managing Directors:**

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Whole Time Directors (WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The

remuneration determined for WTDs, KMPs and SMPs are subjected to the approval of the Board of Directors in due compliance of the provisions of Companies Act, 2013. The remuneration for the KMP and the SMP at the time of the appointment has to be approved by the Board but any subsequent increments shall be approved by the Managing Director of the Company as per the HR policy of the Company.

Any increase in remuneration of an employee of a Company incase related to the Managing Director or any other Director on the Board then the remuneration shall be first approved by the Nomination & Remuneration Committee.

A company shall appoint or re-appoint any person as its Managing Director for a term not exceeding five years at a time. No re-appointment shall be made one year earlier before the expiry.

For the purpose of selection of the Managing Director (MD), the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee must ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

#### **Remuneration to Managing Director**

At the time of appointment and re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Managing Director within overall limits prescribed under the Companies Act, 2013.

The remuneration of the Managing Director consists of fixed compensation payable every month and such perquisites, allowances and other benefits as approved by the Board .

The remuneration shall be subject to the approval of the Members of the Company in General meetings.

As a policy, the Executive Directors are neither paid sitting fee nor any commission.

An Independent Director shall hold office for a term of upto five consecutive years on the Board of the

Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. Any tenure of an Independent Director as on the date of commencement of the Companies Act, 2013 shall not be counted. However, if a person who has already served as an Independent Director for five years or more in the Company as on October 1, 2014 or such other date as may be prescribed by the Committee as per regulatory requirement, he/she shall be eligible for appointment on completion of his/her present term for one more term of upto five years only.

In-case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his/her engagement level.

#### **8. Role of Independent Directors**

- 8.1 The Committee shall, in consultation with the Independent Directors of the Company, prepare and submit this policy to the Board for its approval.
- 8.2 The Independent Directors shall have power and authority to determine appropriate levels of remuneration of executive directors and employees and have a prime role in appointing and where necessary recommend removal of Executive Directors and Employees.
- 8.3 The Independent Directors shall submit its recommendations/ proposals/ decisions to the Committee which the Committee shall consult and take to the Board of Directors.

#### **Independent Director's Familiarization Programme:**

Regulation 25(7) of SEBI (LODR) Regulations, 2015 with the Stock Exchange stipulates that the Company shall familiarize the Independent Directors with the Company, their roles, right, responsibilities in the Company, nature of the industry in which Company operates, business model of the Company etc. through various programmes.

The Company has adopted the familiarization programme for Independent Directors and the details of which are uploaded on the website of the Company - [https://frhl.in/upload/PDF/466\\_14\\_new\\_file\\_FAMILIARIZATION\\_PROGRAMME\\_2019-2020.pdf](https://frhl.in/upload/PDF/466_14_new_file_FAMILIARIZATION_PROGRAMME_2019-2020.pdf)

## **9. Board Evaluation**

The Board shall follow a formal mechanism for evaluating performance of the directors individually, the evaluation of the overall Board, fellow Board members including Chairman of the Board as well as that of its Committees. The performance evaluation of Independent Directors must be done by the entire Board of Directors excluding the Directors being evaluated. The evaluation process must cover various aspects of the Board's functioning such as composition of the Board & Committees, experience and competences, performance of specific duties and obligations, governance issues, inflow of information, decision making, company's performance, company's strategy etc. on a scale of one to five. Feedback on each directors from the fellow director shall be provided. Individual Directors including the Board Chairman's evaluation shall be on parameters such as attendance, participation in Board and Committee meeting, contribution at the meetings and meetings and otherwise, independent judgment etc.

The evaluation of Independent Directors shall be done by the entire board of directors and shall include performance of the director and fulfillment of the independence criteria as specified in the Listing Regulations and their independence from the management.

## **10. Board diversity:**

The Company recognizes and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the business of the Company. The Company sees increasing diversity at Board level as an essential element in maintaining a competitive advantage.

## **11. General:**

The remuneration to be paid to the Managing director shall be in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

Where any insurance is taken by the Company on behalf of its Directors, Managing Director, Chief financial officer, the Company Secretary and any other employees for indemnifying them against any liability the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

## **12. Approval and publication:**

- 12.1 This remuneration policy as framed by the Committee or any amendment thereof, shall be recommended to the Board of Directors for its approval.
- 12.2 This policy shall be placed on the Company's website.
- 12.3 The salient features of the Policy along with the web address of the policy shall be disclosed in the Board's report.
- 12.4 In case of any changes/amendment to the policy during the year under review, the policy shall form part of Board's report to be issued by the Board of Directors in terms of Companies Act, 2013.

## **13. Supplementary provisions**

- 13.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and Regulation 19(4) of SEBI (LODR) Regulations, 2015 with the stock exchanges.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulation which makes any of the provisions in the policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the policy, and the provisions in the policy would be modified in due course to make it consistent with the law.

- 13.2 The right to interpret this Policy vests in the Board of Directors of the Company.
- 13.3 The policy shall be reviewed by the Nomination and Remuneration committee as and when changes need to be incorporated in the policy due to changes in regulations as may be felt appropriate by the committee. Any change or modification in the policy as recommended by the committee would be given for the approval of the Board.

*Amended and came into force w.e.f. November 14, 2018*

**Annexure G**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED  
31<sup>ST</sup> MARCH, 2020**

*[Pursuant to Section 204 (1) of the Companies Act, 2013  
and Rule No.9 of the Companies (Appointment and  
Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,  
**Fomento Resorts and Hotels Limited**  
Cidade De Goa,  
Vanguinim Beach, Goa 403004

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Fomento Resorts and Hotels Limited** (hereinafter called the ‘Company’). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 (hereinafter referred to as the “Audit Period”) generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment (*provisions not applicable to the Company during the Audit Period*);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*Not applicable to the Company during the audit period*);
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (*Not applicable to the Company during the audit period*);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (*Not applicable to the Company during the audit period*);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (*Not applicable to the Company during the audit period*); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (*Not applicable to the Company during the audit period*).
- vi. The following law and Regulation applicable specifically to the Company viz.,
  - a) Food safety and standards Act, 2006 and rules made there under
  - b) The foreign exchange management act (FEMA), 1999.
  - c) The Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder.
  - d) The Water (Prevention and Control of Pollution) Act 1974 and rules made thereunder.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Stock Exchanges read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that –**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as prescribed. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes during the audit period.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Panaji, Goa

Date : July 30, 2020

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**Shivaram Bhat**  
**Practising Company Secretary**  
**ACS No. 10454 & CP No. 7853**  
**UDIN: A010454B000530182**

This Report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**ANNEXURE 'A'**

(My report of even date is to be read along with this Annexure.)

1. Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Panaji, Goa

Date : July 30, 2020

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**Shivaram Bhat**  
**Practising Company Secretary**  
**ACS No. 10454 & CP No. 7853**  
**UDIN: A010454B000530182**

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Economic Overview :

In 2019-20, the Indian economy grew by 4.2 per cent against 6.1 per cent expansion in 2018-19. The government imposed lockdown on March 22 to combat Covid-19.

#### **Gross Value Added (GVA) at Basic Prices**

Real GVA at Basic Prices is estimated to increase from Rs. 129.07 lakh crore in 2018-19 to Rs. 135.40 lakh crore in 2019-20. Estimated growth of real GVA in 2019-20 is 4.9 per cent as against 6.6 per cent in 2018-19.

The sectors which registered growth rate of over 4.9 percent are, 'Electricity, Gas, Water Supply and Other Utility Services', 'Trade, Hotels, Transport, Communication and Services related to Broadcasting', 'Financial, Real Estate and Professional Services' and 'Public Administration, Defence and Other Services' at 5.4 per cent, 5.9 per cent, 6.4 per cent, 9.1 per cent respectively. The growth in the 'Agriculture, Forestry and Fishing', 'Mining and quarrying', 'Manufacturing' and 'Construction' is estimated to be 2.8 per cent, 1.5 per cent, 2.0 per cent and 3.2 per cent respectively.

- Services sector is the largest sector of India. Services sector is estimated at 92.26 lakh crore INR in 2018-19. Services sector accounts for 54.40% of total India's GVA of 169.61 lakh crore Indian rupees.
- With GVA of Rs. 50.43 lakh crore, Industry sector contributes 29.73%.
- While, Agriculture and allied sector shares 15.87%.

Gross Fixed Capital Formation (GFCF) at current prices is estimated to be Rs 40.61 trillion (US\$ 587.09 billion) between Apr-Dec 2019.

Total export from India (Merchandise and Services) stood at US\$ 528.45 billion in 2019-20, Share of Top Investing Countries FDI Equity Inflows: Mauritius (32 per cent), Singapore (20 per cent), Japan (7 per cent), Netherlands (7 per cent), UK (6 per cent), USA (6 per cent), Germany (3 per cent), Cyprus (2 per cent), France (2 per cent), UAE (2 per cent)

#### **Major Sectors Attracting Highest FDI Equity Inflows:**

- Services Sector - 17.66%
- Computer Software & Hardware - 9.54%
- Telecommunications - 8.13%
- Trading - 5.81%
- Construction Development - 5.55%
- Automobile Industry - 5.23%
- Chemicals (Other Than Fertilizers) - 3.82%
- Drugs & Pharmaceuticals - 3.59%
- Construction (Infrastructure) Activities - 3.54%
- Power - 3.21%

FDI equity inflow in India stood at US\$ 36.79 billion during April-December 2019

India's total foreign exchange (Forex) reserves stand at around US\$ 501.703 billion on 05th June 2020, the highest ever up from 427.678 Billion Last year June.

Indian Mutual Fund industry's Average Assets Under Management (AAUM) stood at INR 27 Lakh Crore (INR 27 Trillion) as against INR 26.77 Lakh Crore (INR 26.77 Trillion) at the end of December, 2020.

India's Index of Industrial Production (IIP) advanced by 0.1 per cent year-on-year in February 2019, as against a rise of 1.4 per cent year-on-year in January 2019. The cumulative IIP growth for April 2018-February 2019 was 4.0 per cent over the same period in 2017-18.

India's industrial production grew at the fastest pace in seven months at 4.5 per cent during February 2020 as against 0.1 Percent in February 2019 mainly on account of uptick in mining and manufacturing activity as well as power generation. The cumulative IPP growth during April-February period of the last fiscal decelerated to 0.9 per cent from 4 per cent expansion in the same period of 2018-19.

The Index of Eight Core Industries rose 5.5% in February 2020. The growth for January was revised to 1.4% from 2.2% assessed earlier. Growth for the April-February was at 1%, sharply lower than 4.2% in the same period a year earlier.

In the FY 19-20 (April 1, 2019- March 31, 2020), the passenger vehicle sales saw a decline of 17.82 per cent to 27,75,679 units as compared with 33,77,389 units in the previous fiscal this is due to the pandemic that saw a large decline in Q4 of FY 19-20.

India's current account deficit (CAD) was 1% of GDP in April-Dec of 2019-20 from 2.6% a year ago same period.

The country's wholesale inflation rose to 3.1 per cent in January, compared to 2.59 per cent during the month of December 2019. The build-up inflation during the financial year 2019-20 rate was at 2.50 per cent, against 2.49 per cent in the corresponding period a year ago

India's consumer price index rose to 5.9% YoY in March 2020 amid coronavirus-induced nationwide lockdown as compared to 2.86% in March 2019.

Merger and Acquisition (M&A) activity grew 104.5 per cent year-on-year to reach US\$ 129.4 billion in 2018. M&A cooled down in the first half of 2019, amid elections and weak economic sentiment. M&A worth only \$32.5 billion took place in the first eight months of the current calendar year

Private equity, VC investments hit record high of \$48 billion in 2019. PE/VC investments increased by 28 per cent as compared to 2018, while the deal volume increased by 35 per cent.

## Transportation in India

Airports: There are 464 airports/airstrips in the country. Among these, the AAI owns and manages 125 airports and 26 civil enclaves at defence airfields and provides air traffic services over the entire Indian airspace and adjoining oceanic areas.

International Airports: Ahmedabad, Amritsar, Bengaluru, Chennai, Goa, Guwahati, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Thiruvananthapuram, Port Blair, Srinagar, Jaipur, Nagpur, Calicut. Railways: The Indian Railways network is spread over 108,706 km, with 12,617 passenger and 7,421 freight trains each day from 7,172 stations plying 23 million travellers and 3 million tonnes (MT) of freight daily. Roadways: India's road network of 4.87 million km is the second largest in the world. With the number of vehicles growing at an average annual pace of 10.16 per cent, Indian roads carry about 65 per cent of freight and 85 per cent of passenger traffic.

### 2. Hospitality & Tourism Industry Overview:

India is the most digitally advanced traveller nation in terms of digital tools being used for planning, booking and experiencing a journey, India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism.

During 2019, foreign tourist arrivals (FTAs) in India stood at 10.89 million, achieving a growth rate of 3.2 per cent year-on-year. During January-February 2020, Foreign Tourist Arrivals (FTAs) were 2.1 Million.

In 2019, a total of 2.9 Million tourist arrived on e-Tourist Visa registering a growth of 23.6 per cent.

As of 2019, 4.2 crore jobs were created in the tourism sector in India which was 8.1 per cent of total employment in the country. The number is expected to rise by two per cent annum to 52.3 million jobs by 2028.

International hotel chains are increasing their presence in the country, as it will account for around 47 per cent share in the Tourism & Hospitality sector of India by 2020 & 50 per cent by 2022.

### Investments

India is also the third largest globally in terms of investment in travel & tourism with an investment of US\$ 45.7 billion in 2018, accounting for 5.9 per cent of national investment.

During the period April 2000-December 2019, the hotel and tourism sector attracted around US\$ 14.42 billion of FDI, according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

### 3. Local Market Overview:

Goa is one of the fastest growing states in the country. The Gross State Domestic Product of Goa at current prices

increased at a Compound Annual Growth Rate (CAGR) of 9.08 per cent from 2011-12 to 2019-20. Goa's net state domestic product (NSDP) was Rs 641.50 billion (US\$ 9.95 billion) in 2017-18. Goa's economic growth is driven by the strong performance of industrial sectors such as mining, tourism and pharmaceuticals.

As of February 2020, Goa had a total installed power generation capacity of 574.96 MW. Goa is also one of the few states in India to achieve 100 per cent rural electrification.

Goa has a well-developed social, physical and industrial infrastructure and virtual connectivity. Tourism is the largest segment in the services sector.

Goa is traditionally known as a tourist paradise for its natural scenery, beautiful beaches and cultural diversity. During January to December 2017, the number of passengers who arrived in the state on the basis of e-tourist visas was recorded to be 133,798. Moreover, the state recorded a total of 851,048 foreign tourists from over 141 countries across the globe. Up to December 2018, the State received 8.01 million tourists. 28 cruise ships with 38,543 passengers arrived in the State till December 2018. It has an international airport that is in line with its importance as a globally-recognised leisure destination. It also has significant port infrastructure. The state has an established base for the pharmaceuticals industry and an emerging destination for knowledge-based industries such as biotechnology and IT.

According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI inflows into the state of Goa, during April 2000 to December 2019, were US\$ 1,041 million.

### Recent Developments:

- A second greenfield international airport is being developed in Mopa, Goa with an annual capacity to handle 30 million passengers by phase IV. The first phase of the airport is expected to start by end of 2020.
- A new export policy for the state is also being prepared in order to promote exports for manufactured goods and surplus agriculture produce.
- Merchandise exports from the state reached US\$ 2.10 billion in 2017-18 and US\$ 2.06 billion in FY19.
- As of November 2019, Goa had seven formally approved and three notified special economic zones (SEZs).
- Union Ministry of Home Affairs (MHA) has identified five islands in Goa, namely St George Island, Grande Island, Pequeno Island, Conco Island and Bhindo Island to carry out holistic development.
- Goa government has approved the Rs 981 crore (US\$ 144.1 million) proposal for Panaji Smart City which will have a major focus on eco-mobility, public transport system and improvement of conservation zones.

- As per the State Transport Authority, Government of Goa has granted approval for operations of GoaMiles app-based taxi service in accordance with the Guidelines for App Taxi operators in the State.
- For the development of ‘Ease of doing business’ and ‘investor friendly ecosystem’ initiatives in the state, the state government has proposed to establish an EMS (Electronic Monitoring System).

**4. Opening of New Property and Future Expansion Plans: Taj Hotel & Convention Centre, Goa (THCCG)**

The Company has opened a new hotel under brand name “Taj Hotel & Convention Centre, Goa” at Survey no.246/1, Vainguinim Plateau, Dona Paula, Goa. This is the second hotel of the company which consists of 299 keys and associated facilities, catering to the meetings, incentives, conferences and exhibitions(MICE) segment.

**Investment in hotel at Aarvli**

The civil and construction work is complete and civil finishes works are in progress for setting up a 5 star (luxury) 32 room boutique resort at Aarvli, Sindhudurg, Maharashtra.

**5. Financials:**

The operations of the existing Five Star Deluxe Resorts viz. Cidade de Goa was taken over by IHCL w.e.f. 1<sup>st</sup> April, 2019 for managing and operating the hotel based on management contract signed with IHCL by the Company on 11<sup>th</sup> February, 2019. The hotel is known as Cidade de Goa ‘IHCL – SeleQtions w.e.f. April 1, 2019.

The turnover and the financial performance of Cidade de Goa is as below:

**Cidade de Goa – IHCL SeleQtion’s Performance for the F.Y. 2019-20**

**Revenues:** Total income has increased by 2.09% to Rs.6,914.41 lakhs from Rs. 6,754.55 lakhs in the previous year, despite the Corona Pandemic crisis & lock down that saw cancellations resulting in loss of business at the end of Q4 FY 2019-20.

**The room revenues** increased by 4.26% to Rs. 4,157.47 lakhs from Rs. 3,987.51 lakhs in the previous year despite cancellation of revenues as mentioned above.

The Food & beverage saw a slight decline of 1.23% to Rs.2,339.98 lakhs from Rs. 2,369.19 lakhs in the previous year mainly the loss caused due to the pandemic.

The total Operating expenditure increased by 0.30 % to Rs. 4,427.06 lakhs from Rs. 4,413.64 lakhs as against the previous year.

**Taj Hotel & Convention Centre, Goa (THCCG)**

The newly constructed hotel of the Company “THCCG” commenced business operations at end of February,2020. However, had to close operations from the last week of March, 2020 due to the lockdown pan- India on account of COVID-19

situation. The performance of the new hotel for the above period was as follows:

Total Income	Rs. 230.36 lakhs
Operating Cost	Rs. 438.74 lakhs
EBITDA	Rs.(208.38) lakhs

**Earnings before Interest, Depreciation, Tax and Amortisation (EBIDTA) for the Company as a whole for the FY 2019-20:**

EBIDTA registered a decrease of 23.40% to Rs. 1,963.40 lakhs from Rs. 2,562.48 lakhs as against the previous year.

**Profit before Tax:**

The PBT decreased by 39% to Rs. 984.39 lakhs from Rs. 1,606.63 lakhs in the previous year. The decline is mainly on account of the increase in the depreciation by Rs.291 Lakhs due to capitalization of the new Hotel “THCCG” in the month of March, 2020. The decrease is also on account of negative EBITA of the new hotel “THCCG” as stated above which started operations at the end of FY 2019-20.

**Profit after Tax:**

The PAT decreased by 47.02% to Rs. 486.30 lakhs from Rs. 917.97 lakhs in the previous year.

**Key Financial Ratios**

Sr. No.	Particulars	FY 2020	FY 2019
1	Debtors Turnover Ratio	3.69	4.26
2	Inventory Turnover	5.49	7.50
3	Interest Coverage Ratio	3.51	30.69
4	Current Ratio	1.28	1.31
5	Debt Equity Ratio	3.96	2.74
6	Operating Profit Margin	16.74%	21.31%
7	Net Profit Margin	13.46%	23.03%

**6. Competition from International Hotel Chains:**

The hotel Cidade de Goa is managed and operated by Indian Hotels Company Limited w.e.f. April 1, 2019 pursuant to the hotel operating agreement executed between the Company and the Indian Hotels Company Limited (IHCL) to operate the existing hotel Cidade de Goa and the new hotel ‘Taj Hotel & Convention Centre, Goa’ which has commenced operations w.e.f. March 1, 2020.

Even though the India’s stock market remains in bear territory, economic fundamentals have shown improvement on account of the fiscal cushion provided by the reduction in oil subsidies, prudent monetary policy by the Reserve Bank, and an uptick in domestic consumption demand.

The Company perceives stiff competition from the international hotel chains who are opening doors at a rapid pace and are generally treated as superior than the local enterprises. These new entrants even poach the trained human resources of the local enterprises. These severely affect the working of the local

enterprises. The increase in supply, if not offset by a corresponding increase in demand will put pressure on margins as a consequence of rising costs and falling Average Room Rate.

#### 7. Risks and Concerns:

The risk and safety management system adopted by the Company will enable the Company to identify problem areas with respect to regulations, competition, business risk, development risks, investments, acquisition and retention of talent, health & safety. Business risk, inter- alia, further includes financial risk, political risk, fidelity risk, legal risk, employee, guest, asset safety and safety of community and to establish a prevention system to safeguard the future.

The adopted approach involves identification and characterization of threats, development of a safety policy, risk assessment, development and implementation of risk control strategies, consultation and training, followed by formulation, maintenance and review of strategies. The Principles of risk management should:

- § Create value
- § Be an integral part of the organizational process
- § Be part of the decision making process
- § Explicitly address uncertainty and assumptions
- § Be systematic and structured process
- § Be based on best available information
- § Capable of customization

The Board of Directors of the Company determines Company's tolerance for risk and is committed to a risk management system that balances the need to preserve long term values, prudently manages the hotel properties, maintain good relationships with stakeholders and facilitates a culture of innovation. The Company's risk management system is designed to assist the Company to achieve its strategic and operational objectives with the vision, strategy, processes, technology and governance of the Company and provides for:

- a. appropriate levels of risk taking
- b. an effective system for the management of risk.
- c. protection against incidents causing personal injury and property damage
- d. development of risk management and control plans to reduce or minimize unforeseen or unexpected costs
- e. ability to identify, prioritize and respond to risk in a manner that maximizes opportunities.
- f. reliable financial reporting and compliance with laws, regulations and standards
- g. sound insurance management practice
- h. protection of assets from planned and unplanned events

The risk management function is supported by the risk management committee.

#### **RISK STRATEGY**

The Company believes that risk cannot be eliminated. However, it can be:

- Transferred to another party, who is willing to take risk, say by buying an insurance policy or entering into a forward contract
- Reduced, by having good internal controls
- Avoided, by not entering into risky businesses
- Retained, to either avoid the cost of trying to reduce risk or in anticipation of higher profits by taking on more risk
- Shared, by following a middle path between retaining and transferring risk

For managing risk more efficiently, the Company would need to identify the risks that it faces in trying to achieve its objectives. Once these risks are identified, these would need to be evaluated to see which of them will have critical impact on the Company and which of them are not significant enough to deserve further attention. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

#### **RISK MANAGEMENT FRAMEWORK**

Objectives must be clearly defined before management can identify potential risks affecting their achievement. Risk management ensures that management has in place a process to set objectives and that the chosen objectives support and align with the entity's mission and are consistent with its risk appetite.

The objectives of the Company can be classified into:

- **Strategic:**
- Organizational Growth
- Sustenance and growth of strong relationships with guest/customers/clients/ vendors.
- **Operations:**
- Consistent revenue growth
- Consistent profitability growth
- High quality hotel and guest services
- Attract and retain quality, trained employees and associates and augmenting their training

#### **Reporting:**

- Maintain high standards of Corporate Governance and public disclosure

#### **Compliance:**

- Ensure stricter adherence to policies, procedures and laws/rules/regulations/ standards.

In principle, risks always result as a consequence of activities or as a consequence of non-activities. Risk Management and

Risk Monitoring are important in recognizing and controlling risks. The entirety of enterprise risk management is monitored and modifications are made as necessary.

Controlling of Risk/Risk mitigation is an exercise aiming to reduce the loss or injury arising out of various risk exposures.

The Company adopts systematic approach to mitigate risks associated with accomplishment of objectives, operations, development, revenues and regulations. The Company believes that this would ensure mitigating steps proactively and help to achieve stated objectives.

The Company has constituted a Risk management Committee which submits its report to the Audit Committee/ Board about the measures taken for mitigation of Risk in the organization.

The activities at all levels of the organization are considered in the risk management framework. All these components are interrelated and drive the Risk Management System with focus on three key elements, viz.

1. Risk Assessment
2. Risk Management
3. Risk Monitoring

#### **RISK ASSESSMENT**

Risks are analyzed, considering likelihood and impact, as a basis for determining how they should be managed. Risk Assessment consists of a detailed study of threats and vulnerability and resultant exposure to various risks.

To meet the above stated objectives and for exploiting opportunities, effective strategies are evolved and as a part of this, key risks are identified and plans for managing the same are laid out.

#### **RISK MANAGEMENT AND RISK MONITORING**

In risk management and monitoring, the probability of risk is estimated with available data/ information and appropriate risk treatments are worked out in the following areas:

##### **1. Economic Environment and Market conditions**

The hospitality industry is prone to impacts due to fluctuations in the economy caused by changes in global and domestic economies, changes in local market conditions, excess hotel room supply, reduced international or local demand for hotel rooms and associated services, competition in the industry, government policies and regulations, fluctuations in interest rates and foreign exchange rates and other social factors. Since demand for hotels is affected by world economic growth, a global recession could also lead to a downturn in the hotel industry.

##### **2. Socio-political risks**

In addition to economic risks, the Company also faces risks from the socio-political environment and is affected by events like political instability, conflict between nations, threat of terrorist activities, occurrence of infectious diseases, extreme

weather conditions and natural calamities, etc. which may affect the level of travel and business activity.

##### **3. Competition**

The Indian subcontinent and the state of Goa with vast opportunities and potential for high growth has become the focus area of major international chains. Several of these chains have established and others have their plans to establish hotels to take advantage of these opportunities. These entrants are expected to intensify the competitive environment. The success of the Company will be dependent upon its ability to compete in areas such as room rates, quality of accommodation, service level and convenience of location and also to some extent, the quality and scope of other amenities, including food and beverage facilities.

##### **4. Revenue Concentration**

High concentration in any single business segment exposes the Company to the risks inherent in that segment. The quest for diversified activities within the existing realm of overall management after due consideration of the advantages and disadvantages of each activity is consistent with company policy of increasing business volumes with minimum exposure to undue risks. Concentration of revenue from any particular brand or segment of industry is sought to be minimized over the long term by careful extension into other activities, particularly in areas where the Company has some basic advantage.

To counter pricing pressures caused by strong competition, the Company has been increasing operational efficiency and continues to take initiatives to move up the guest satisfaction scale besides cost reduction and cost control initiatives.

##### **5. Inflation and Cost Structure**

The industry in general has a high operating leverage. At organizational level, cost optimization and cost reduction initiatives are implemented and are closely monitored. The Company controls costs through budgetary mechanism and its review against actual performance with the key objective of aligning them to the financial budgets. The focus on these initiatives will further inculcate across the organization the importance of cost reduction and control.

##### **6. Financial Reporting Risks**

Changing laws, regulations and standards relating to accounting, corporate governance and public disclosure can create uncertainty for companies. These new or changed laws, regulations and standards may lack specificity and are subject to varying interpretations. Their application in practice may evolve over time, as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such corporate governance standards.

The Company is committed to maintaining high standards of compliances, corporate governance and public disclosure and complying with evolving laws, regulations and standards in this regard would further help us address these issues.

The Company has followed the Indian Accounting Standard specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenue and expenses during the reporting period. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances including consultation with experts in the field, scrutiny of published data for the particular sector or sphere, comparative study of other available corporate data, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. These may carry inherent reporting risks.

#### **7. Risk of Corporate accounting fraud:**

Accounting fraud or corporate accounting fraud are business scandals arising out of misusing or misdirecting of funds, overstating revenues, understating expenses etc. The Company in order to mitigate this risk considers the following:

- Understanding the applicable laws and regulations
- Conducting risk assessments
- Instituting and monitoring code of conduct and Whistle blower/vigil mechanism
- Deploying a strategy and process for implementing the new controls
- Adhering to internal control practices that prevent collusion and concentration of authority
- Employing mechanisms for multiple authorization of key transactions with cross checks
- Scrutinizing of management information data to pinpoint dissimilarity of comparative figures and ratios
- Creating a favorable atmosphere for internal auditors in reporting and highlighting any instances of even minor non-adherence to policies and Standard operating procedures and a host of other steps throughout the organization.

#### **8. Legal Risk**

Legal risk is the risk in which the Company is exposed to legal action. As the Company is governed by various laws and has to do its business within four walls of law, where it is exposed to legal risk exposure. Focus is to be given on evaluating the risks involved in a contract, ascertaining our responsibilities under the applicable law of the contract, restricting our

liabilities under the contract, and covering the risks involved, so that adherence to all contractual commitments can be ensured.

Management places and encourages its employees to place full reliance on professional guidance and opinion and discuss impact of all laws and regulations to ensure company's total compliance. Advisories and suggestions from professional agencies and industry bodies, etc. are carefully studied and acted upon where relevant.

The Company has established a compliance management system in the organization and the quarterly compliance reports from functional heads are taken and the non-compliances and delays, if any, are reported to the Audit Committee and the Board of Directors.

#### **9. Compliance with Local Laws**

The Company is subject to additional risks related to complying with a wide variety of local laws, restrictions. The Company strives to place robust process with the help of consultants to mitigate and minimize such compliance risk under municipal laws of the land.

#### **10. Quality and Project Management**

Our commitment towards total Quality Management is to forge the Human Resources of our organization into a team that promotes continual improvement in quality of hotels and services. Considerable focus is given to adherence to targeted dates and commitment to quality in every project and customer feedback is studied by adopting various methods including personal interaction, wherever required, during and after project completion.

#### **11. Environmental Risk Management**

The Company endeavors to protect the environment in all its activities, as a social responsibility and strives to avoid any situation causing a risk to the environment and community at large.

#### **12. Human Resource Management**

The Company's Human Resources (HR) Department adds value to all its hotel units by ensuring that the right person is assigned to the right job and that they grow and contribute towards organizational excellence. Our growth has been driven by our ability to attract good quality talent and effectively engage them in right jobs.

Risk in matters of human resources are sought to be minimized and contained by following a policy of providing equal opportunity to every employee, inculcate in them a sense of belonging and commitment and also effectively train them in spheres other than their own specialization. Employees are encouraged to make suggestions on innovations, cost saving procedures, free exchange of other positive ideas relating to hospitality industry etc. It is believed that a satisfied and committed employee will give his best and create an atmosphere that cannot be conducive to risk exposure.

Employee-compensation is always subjected to fair appraisal systems with the participation of the employee and is consistent with job content, peer comparison and individual performance. Packages are inclusive of the proper incentives and take into account welfare measures for the employee and his family.

We seek to provide an environment that rewards entrepreneurial initiative and performance.

### **13. Increased outbound travel**

Recent competitiveness in international airfares and strengthening financial health of Indian people resulted in destinations like Europe, South East Asia and Australia becoming more affordable to the average Indian traveler. This has increased outbound travel and presents a risk to the domestic segment for leisure resorts.

### **RISKS SPECIFIC TO THE HOTEL AND THE MITIGATION MEASURES**

1) **Business dynamics:** The key risk is variation of the occupancy rates including seasonal occupancy rates.

**Risk mitigation measures:** Based on experience gained from the past and by following the market dynamics as they evolve, the Company is able to predict the demand during a particular period and accordingly an advance operational policy is formed for maximum customer satisfaction and to mitigate any consequential losses.

2) **Business Operations Risks:** These risks relate broadly to the Company's organization and management, such as planning, monitoring and reporting systems in the day to day management process namely:

Organisation and management risks, Time, cost and quality risks related to development,

Business interruption risks, Profitability

**Risk mitigation measures:**

The Company functions under a well-defined organization structure, Flow of information is well defined to avoid any conflict or communication gap between two or more Departments. Proper policies are followed in relation to maintenance of inventories of raw materials, consumables. Effective steps are being taken to reduce cost of services without compromising on the quality of the services on a continuing basis taking various changing scenarios in the market.

3) **Credit Risks**

Risks in settlement of dues by customers/travel agents, Provision for bad and doubtful debts

**Risk Mitigation Measures:**

Systems are put in place for assessment of creditworthiness of customers/travel agents, Provision for bad and doubtful debts made to arrive at correct financial position of the Company, Appropriate recovery management and follow up.

4) **Logistics Risks**

Use of outside contractual sources/vendors

**Risk Mitigation Measures:**

Exploring possibility of an in-house or better logistic mechanism if the situation demands

5) **Market Risks/Industry Risks**

Demand and Supply Risks, Quantities, Qualities, Suppliers, lead time, interest rate risks and Interruption in the supply of products for use in hotels.

**Risk Mitigation Measures:**

Products are procured from different sources at competitive prices, Alternative sources are developed for uninterrupted supply, Demand and supply are external factors on which company has no control, but however the Company makes its plans from the experience gained in the past and an on-going study and appraisal of the market dynamics, movement by competition, economic policies and growth patterns of different segments of users of company's services, The Company takes specific steps to reduce the gap between demand and supply by expanding its customer base, improvement in its product profile, delivery mechanisms, technical inputs and advice on various aspects of de-bottlenecking procedures, enhancement of capacity utilization etc

Proper inventory control systems have been put in place.

6) **Human Resource Risks**

**Mitigation Measures:**

Company has proper recruitment policy for recruitment of personnel at various levels in the organization. Proper appraisal system for revision of compensation on a periodical basis is evolved, Employees are trained at regular intervals to upgrade their skills, Labour problems are obviated by negotiations and conciliation, Activities relating to the Welfare of employees are undertaken and Employees are encouraged to make suggestions and discuss any problems with their Superiors.

7) **Disaster Risks**

Natural risks like fire, floods, earthquakes, etc.

**Risk Mitigation Measures:**

The properties of the Company are insured against natural risks, like fire, flood, earthquakes, etc. with periodical review of adequacy, rates and risks covered under professional advice, Fire extinguishers are placed at fire sensitive locations, First aid training is given to watch and ward staff and safety personnel, Workmen of the Company are covered under ESI, EPF, etc., to serve the welfare of the workmen.

8) **IT System Risks**

System capability, System reliability, Data integrity risks, Coordinating and interfacing risks

**Risk Mitigation Measures:**

Maintenance department maintains, repairs and upgrades the systems on a continuous basis with personnel who are trained in software and hardware, Password protection is provided at different levels to ensure data integrity, Licensed software is being used in the systems, Company ensures “Data Security”, by having access control/ restrictions.

**9) Legal Risks**

These risks relate to the following:

Contract Risks, Contractual Liability, Frauds, Judicial Risks, Insurance Risks, Health and Safety Hazards.

**Risk Mitigation Measures:**

A study of contracts with focus on contractual liabilities, deductions, penalties and interest conditions is undertaken on a regular basis. The Finance department and Legal team vets and finalizes all legal and contractual documents with legal advice from Legal professionals/ outside counsels as per the requirement. Internal control systems for proper control on the operations of the Company to detect any frauds, Insurance policies are audited to avoid any later disputes, Timely payment of insurance and full coverage of properties of the Company under insurance, Regular medical check-up of the employees located at the hotels to avoid any cause, infection or spread etc. of any communicable diseases.

**10) Project Implementation Risk:**

The Company may be impacted by delays in implementation of project which would result in increasing project cost and loss of potential revenue.

**Risk Mitigation measure:**

To mitigate the risk, the Company has in place an experienced project team supported by the leading external technical consultants and dedicated project management team. The Company will endeavour to complete its projects on time at optimal cost so as to maximize the profitability.

**RISKTOLERANCE LEVEL**

The Company’s risk tolerance will always be limited by its focus on the need to maximize long term distributions and the fundamental long term value of its properties and services. The Company has adopted a risk management strategy that aims to identify and minimize the potential for loss, while also maximizing strategic opportunities for growth in enhanced service delivery and profitability.

**ROLES AND RESPONSIBILITIES**

*(a) Board responsibility*

The Board is responsible for the oversight of the risk management framework. This includes: policies and procedures related to risk management, risk profile, risk

management and assessing the effectiveness of risk oversight and management.

*(b) Audit Committee*

The Audit Committee is responsible for advising the Board on risk management and compliance management and to assist the Board in fulfilling its risk management and oversight responsibilities.

*(c) Risk Management Committee*

The Risk Management Committee will drive the process of risk management and report new risks or changes to existing risks to the Audit Committee and will submit its half yearly report to the Audit Committee/ Board about the measures taken for mitigation of Risk in the organization.

*(d) Function Heads and Hotel General Manager responsibility*

All Function Heads, and the Hotel General Manager are responsible to ensure that systems, processes and controls in the Company and its hotels are in place to position identified risk at an acceptable level.

*(e) Employee responsibility*

All employees of the Company must report any new risks or changes to existing risks (if any) to their managers or supervisors as soon as they become aware of the risk.

*(f) External auditor*

The external auditor is responsible for providing an independent opinion of the financial results of the Company. In undertaking this role, the auditor also provides comments on the management of risk and assists the Company in the identification of risk.

**REPORTING**

The Risk Management Committee must report new risks or changes to existing risks to the Chairman of the Audit Committee as soon as practicable after becoming aware of such risks. The intended outcomes of the risk management programme include:

- a) the establishment of a robust risk management framework and internal control system that enhances Company’s ability to meet its strategic objectives;
- b) improved operating performance and reliable internal and external reporting;
- c) increased awareness and management of risk;
- d) compliance with policies and procedures and applicable laws and regulations.

**8. Internal Controls:**

Your Company’s Internal Auditors carryout audit of the transactions of the Company periodically, in order to ensure that recording and reporting are adequate and proper. The Internal Audit also verifies whether internal controls and checks & balances in the systems are adequate and proper.

Corrective actions for any weaknesses in the system that may be disclosed by the Audits are taken. The internal audit is based on an exhaustive list of parameters which identifies the critical issues needing immediate management attention. Processes are strengthened as and where required.

The Audit Committee of the Board reviews the important observations of the Internal Audit and suggests corrective actions for the management to implement. The Internal Audit team also assesses the risk faced by the company, steps taken to mitigate the risk and holds discussions with the management on the subject in order to create awareness of the risks and to take appropriate actions for reducing the impact and frequency of occurrence of the risks.

The Audit Committee of the Company meets periodically to review and recommend quarterly, half-yearly and annual financial statements of the Company. The Committee also holds discussions with the internal auditors, statutory auditors and the management on the matters relating to internal controls, auditing and financial reporting. The Committee also reviews with the statutory auditors, the scope and observations of the audits.

Mystery audits and monitoring systems by an independent external auditor to ensure service parameters are as per international standards, are carried out periodically. Internally cross audits, total quality management and intensive trainings are conducted regularly.

Guest feedback are taken up seriously and responded to within 24 hours to ensure maximum guest delight and repeat business.

### **9. Human Resources:**

As on March 31, 2020 the Company had 234 permanent employees across two hotels, Cidade de Goa – IHCL SeleQtions and Taj Hotel and Convention Centre Goa. Fomento Resorts and Hotels Limited has let out the management of Cidade de Goa to Indian Hotels Company Limited from April 01, 2019. Taj Hotel and Convention Centre Goa was added to the portfolio of Fomento Resorts and Hotels Limited from March 2020. This merger has opened the doors for our employees to grow bigger in their existing roles with the enhanced process orientation and standards. This merger also gives an opportunity to our employees to seek growth opportunities with the other hotels under the IHCL brand.

Our employees continue to be our most valuable assets. In the last year, "Building Bridges" workshops were undertaken at Cidade the Goa with the objective of not only creating oneness among the existing employees of Cidade de Goa and new employees deputed to the hotel by IHCL, but to also help all employees imbibe the IHCL culture of Tajness. In addition, supervisory and extensive functional skills training has also been conducted. This merger has created a lot of excitement among the employees, especially the ones who wish to grow by relocating into other IHCL hotels. Fast track management development programs existing under IHCL is

another area which can be beneficial to all the employees. Q Chats, a performance review process, are conducted every quarter and this forms the base for the annual appraisals. Employees are encouraged to express their feedback on a daily basis about any of the aspects related to their work life through V Connect, an app based continuous engagement initiative. Employee well-being is also another important area which was focused upon in the last financial year through promotion of healthy eating habits and emphasis on fitness regimes. Reward and Recognition is driven through STARS, abbreviation for Special Thanks And Recognition System, wherein employees can earn points through guest engagement, colleague compliments, and by giving their valuable suggestions to the hotel. The employees are rewarded as per the tiers - Platinum, Gold and Silver, that they have reached during the year. A total of 175 employees were touched by STARS in last year with 2 employees on Platinum, 6 on Gold and 14 on Silver levels.

In order to enhance efficiency levels, shared services concept has been implemented to manage both hotels. Multitasked workforce has also been implemented towards attaining this objective. This model focuses on managing 02 hotels within the radius of 500 metres and imparting multi-tasking skills to all these employees in a bid to leverage them as a collective strength, which will thereby be beneficial to both the sister concerns whenever a need arises.

### **10. India's travel and tourism industry Outlook**

India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists. In his Independence speech from Red Fort, Prime Minister Narendra Modi urged people to visit 15 domestic tourist destinations in India by 2022 to promote tourism. India ranked 34 in the Travel & Tourism Competitiveness Report 2019 published by the World Economic Forum.

Total contribution by travel and tourism sector to India's GDP is expected to increase from Rs 15.24 lakh crore (US\$ 234.03 billion) in 2017 to Rs 32.05 lakh crore (US\$ 492.21 billion) in 2028. Total earning from the sector in India is targeted to reach US\$ 50 billion by 2022.

As of 2019, 4.2 crore jobs were created in the tourism sector in India, which was 8.1 per cent of the total employment in the country. International Tourists arrival is expected to reach 30.5 billion by 2028. e-Visa facility was offered to 169 countries as of December 2019.

During 2019, foreign tourist arrivals (FTAs) in India stood at 10.89 million, achieving a growth rate of 3.20 per cent y-o-y. During 2019, FEEs from tourism increased 4.8 per cent y-o-y to Rs 1,94,881 crore (US\$ 29.96 billion). During 2019, 10.89 million foreign tourists arrived in the country. In 2019, arrivals through e-Tourist Visa increased by 23.6 per cent y-o-y to 2.9 million.

Under the Swadesh Darshan scheme, 77 projects have been sanctioned of worth Rs 6,035.70 crore (US\$ 863.60 million). In Union Budget 2020-21, the government has allotted Rs 1,200 crore (US\$ 171.70 million) for the development of tourist circuits under Swadesh Darshan for Northeast.

The launch of several branding and marketing initiatives by the government of India such as ‘Incredible India!’ and ‘AthitiDevo Bhava’ has provided a focused impetus to growth. The Indian government has also released a fresh category of visa - the medical visa or M-visa, to encourage medical tourism in the country. The government is working to achieve one per cent share in world’s international tourist arrivals by 2020 and two per cent share by 2025.

The government is also making serious efforts to boost investment in the tourism sector. In the hotel and tourism sector, 100 per cent FDI (Foreign Direct Investment) is allowed through the automatic route. Hotel & Tourism sector has received cumulative FDI inflow of US\$ 13.210 billion between April 2000 and December 2019. In Union Budget 2019-20, the government introduced a Tax Refund for Tourists (TRT) scheme in line with countries like Singapore to encourage tourists to spend more in India and boost tourism. The government of India also announced to develop 17 iconic tourist sites in India into world-class destinations as per Union Budget 2019-20.

#### 11. Guest Experience:

Inspired by traditional Indian hospitality, IHCL’s unique service philosophy has been honed over 100 years. IHCL’s service revolves around being personalized and providing a strong sense of place to guests. The experience standards are periodically refined to provide the brands promise and be relevant.

#### 12. Sales & Marketing Initiatives:

The Indian Hotels Company Limited has global sales teams located across 13 locations including India, US, UK, Dubai and Australia. They are responsible for driving sales for all the brands of IHCL.

Experienced teams with strong relationships with Corporates, Travel Consortia, Travel Management Companies, Meetings Incentives, Conferences and Events organizers including Professional Conference Organizers and 3rd party sites.

A special team focuses on Weddings and social events. Travel Industry Sales focuses on Key wholesalers, tour operators, travel agencies and luxury travel specialists. In addition manage programs with Luxury specialists such as Virtuoso, Signature, Traveler Made and Amex Fine Hotels and Resorts.

Our Revenue Management and Distribution team provide solutions for managing pricing and inventory to ensure maximization of revenues and profits for the hotels. The various distribution systems include the Taj Reservations Worldwide providing 24 x 7 toll free reservation services for all hotels, Global Distribution Systems, Direct web distribution and third party websites. IHCL has close associations and partnerships with leading consortia and global agents. Our

Corporate Marketing drives a range of dynamic, innovative and market specific initiatives including strategic customer and B2B advertising, omni channel media outreach and strong marketing products to ensure a globally reputable brand.

#### 13. Awards and Accolades:

In fiscal 2020, the following OTA awards were conferred:

##### Cidade de Goa

Expedia – Top New Hotel Partner

Make My Trip – Star Partners Award 2019

#### 14. Safety, Health And Environment:

Safety and Security is critical to safeguarding the lives of Guests, Associates and all stakeholders as well as protecting the Company’s assets. The Company is committed to ensuring compliance with all applicable Safety and Security regulations and codes. Employees will protect their Health, Safety and Security by following policies, procedures, rules and instructions as prescribed.

Sustainability is a prerequisite for our operations. Teams work behind the scenes to maximize resource efficiency, ensuring that water and energy are used judiciously and waste is reduced. To enable our guests to enjoy their stay while limiting their carbon footprint, we maximize our use of renewable energy, invest in water efficient infrastructure and constantly work towards ambitious targets for emissions reduction.

#### 15. Cautionary Statement:

Statement in the Management Discussion and Analysis describing the Company’s objectives, projections, estimates and expectations may be “forward looking statements” within the meaning of applicable securities law and regulations. Actual results would differ materially due to impact of supply and demand forces, price conditions in domestic and overseas market. As forward looking statements are based on certain assumptions and expectations of future events over which the Company exercises no control, the company cannot guarantee their accuracy nor can it warrant that the same will be realized by the company. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent development or on event of any loss that any investor may incur by investing in the shares of the company based on the” forward looking statements.”

For and on behalf of the Board of Directors

**Auduth Timblo**  
**Director & Non Executive**  
**Chairman**  
**DIN : 00181589**

**Anju Timblo**  
**Managing Director**  
**& CEO**  
**DIN : 00181722**

Place: Vainguinim Beach – Goa

Date: July 30, 2020

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. The Company continues to focus on good Corporate Governance, in line with the best practices in the areas of Corporate Governance.

Your Company believes that sustainable and long-term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavor to achieve excellence in business along with active participation in the growth of society, building of environmental balances and significant contribution in economic growth.

The Governance for your Company means being true to own belief and constantly strengthening and increasing stakeholders' values and return on investment by adopting principles of transparency, accountability and adherence of committed value creation principles. We are firm in the belief that Corporate Governance means commitment for achievement of value based growth and meeting the commitment within the predefined time frame without compromising with ethical standards, set paradigms, transparency in transactions and fixing of accountability.

In order to strengthen corporate governance practices, company had adopted a code of conduct for Board of Directors and senior management personnel of the Company, Policy on Board Diversity, Policy for determination of materiality, Whistle Blower Policy, Risk Management Policy, Policy on preservation of documents and Archival Policy, Policy for determining Material Subsidiary etc. of the Company. These policies and code of conduct are available on the website of the Company. The Company's corporate governance philosophy has been further strengthened through the code of practices and procedures for fair disclosures of unpublished price sensitive information and code of conduct to regulate, monitor and report trading by insiders pursuant to SEBI (Prohibition of Insiders Trading) Regulations, 2015. The Company is in compliance with the conditions of corporate governance as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### BOARD OF DIRECTORS

#### GOVERNANCE STRUCTURE

The Corporate Governance structure of the Company is as follows:

**Board of Directors:** The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

**Committees of the Board:** The Board has constituted the following committees viz, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Stakeholders Relationship Committee and Risk Management Committee.

Each of the said Committee has been mandated to operate within a given framework.

#### Composition and category of Directors

The Board is broad-based and consists of eminent individuals from Industrial, Managerial, Technical, Financial, Accounting & Audit background. The Company is managed by the Board of Directors in co-ordination with the Senior Management Team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

As on March 31, 2020 the Company's Board consisted of Six Directors comprising of One Woman Director who is also a Promoter and Executive Director designated as Managing Director & CEO, One Non Executive & Non Independent Director (Promoter) and Four Independent Directors.

The Nomination and Remuneration Committee of the Company has recommended the appointment of Mr. Sujain Talwar and was approved by the Board of Directors on March 14, 2020 w.e.f. March 14, 2020 as an Independent Director.

#### Key skills, Expertise and Competencies of the Board

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. These directors are nominated based on well defined selection criteria.

## 49<sup>th</sup> Annual Report 2019-2020

The Nomination and Remuneration Committee (“NRC”) considers inter alia, key skills, qualifications, expertise and competencies, whilst recommending to the Board the candidature for appointment of director. The Board of Directors have, based on the recommendations of the NRC, identified the following core key skills/expertise/competencies of directors with reference to its Business and Industry for its effective functioning which are currently possessed by the Board members of the Company which are mentioned below:

Name of Director	Expertise/skills/competence in specific functional area
Mr. Auduth Timblo	Industrialist, Law, Business Leadership, Mining and allied industries, Hospitality, Business strategy and Corporate Management
Mrs. Anju Timblo	Hotel industry domain, Law, Business Leadership, Business Strategy and corporate Management
Mr. Jamshed Delvadavala	Accountancy, Audit and Management, regulatory compliance and internal control and risk compliances review
Mr. Reyaz Mama	Hospitality, Sales & Marketing, Business strategy
Mr. Sujjain Talwar	Law, Business Leadership, regulatory compliance
Mr. Vinayak Padwal	Auditing, Corporate governance, regulatory compliance and internal control and risk compliances review.

The number of Directorships, Committee Membership(s)/Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 (“the Act”) and Listing Regulations.

None of the Independent Director resigned before the expiry of his/her tenure.

### Directors’ Directorships/Committee memberships

In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than ten committees excluding private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 or act as Chairperson of more than five committees across all listed entities in which he/she is a Director. The Audit Committee and Stakeholders Relationship Committee are only considered in computation of limits. Further all Directors have informed about their Directorships, Committee Memberships/Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2020 are given below:

### Directorship/Committee Membership as on March 31, 2020

Name	Category of Director	Directorships in other Indian Public Limited Companies (excluding the Company)	No. of Board Committees in which Chairman / Member (excluding this Company)		Number of Shares Held	List of Directorship held in Other Listed Companies and Category of Directorship excluding the Company
			Chairman	Member		
Mr. Auduth Timblo DIN00181589	Chairman (Promoter and Non- Executive)	2	NIL	NIL	21,12,139	-
Mrs. Anju Auduth Timblo DIN00181722	Managing Director & CEO (Promoter and Executive)	NIL	NIL	NIL	98,87,629	-
Mr. Jamshed Delvadavala DIN00047470	Independent Director (Non – Executive)	2	2	NIL	NIL	-
Mr. Sujjain Talwar# DIN01756539	Independent Director (Non – Executive)	1	NIL	1	NIL	Carborundum Universal Limited (Non-Executive, Independent Director)

## ***Fomento Resorts and Hotels Limited***

Mr. Reyaz Mama DIN02130452	Independent Director (Non – Executive)	NIL	NIL	NIL	NIL	-
Mr. Vinayak Padwal DIN00198772	Independent Director (Non – Executive)	1	NIL	1	NIL	-

**Notes:**

1. Mr. Auduth Timblo and Mrs. Anju Timblo are related to each other. None of the other Directors are related inter-se.
2. #Mr. Sujjain Talwar has been appointed as Additional Director w.e.f. March 14, 2020.
3. Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies other than Fomento Resorts and Hotels Limited. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairman of more than five such Committees.

### **Independent Directors confirmation by the Board**

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that the Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations and that they are independent of the management. A draft letter of appointment to Independent Directors is available on website of the Company viz. [www.frhil.in](http://www.frhil.in)

### **Number of Independent Directorships**

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Managing Director of the Company does not serve as an Independent Director in any listed entity.

### **Board Meetings, Annual General Meetings and Attendance during the year :**

The Board meets at regular intervals to discuss and decide on business strategies/ policies and review the financial performance of the Company. The Board Meetings are pre-scheduled to enable Directors to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

Minimum five prescheduled Board meetings are held every year. Additional meetings are held to address specific needs, if any, of the Company. During the Financial Year 2019-2020, the Board of Directors met five times i.e. May 30, 2019, August 14, 2019, November 14, 2019, February 12, 2020 and March 14, 2020. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act and Regulation 17(2) of the Listing Regulations and the Secretarial Standard by the Institute of Company Secretaries of India. The last Annual General Meeting (AGM) was held on September 23, 2019.

### **Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM)**

Sr. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM
1	Mr. Auduth Timblo	5	3	Present
2	Mrs. Anju Timblo	5	5	Present
3	Mr. Jamshed Delvadavala	5	5	Present
4	Mr. Reyaz Mama	5	4	Leave Sought
5	Mr. Vinayak Padwal	5	5	Leave Sought
6	Mr. Sujjain Talwar\$	5	1	Not Applicable

**Notes:**

\$Mr. Sujjain Talwar has been appointed as an Additional Director (Non-Executive & Independent) w.e.f. March 14, 2020.

**Information placed before the Board:**

The Board has unrestricted access to all Company related information, including that of the employees. At Board meetings, Managers and Representatives who can provide additional insights into the items being discussed are invited. Regular updates provided to the Board include:

- Annual operating plans and budgets and updates
- Quarterly results
- Minutes of meetings of Audit committee, Nomination and Remuneration committee, Risk Management Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and abstracts of circular resolutions passed.
- General notices of interest received from Directors
- Dividend data
- Information on recruitment and remunerations of Senior Officers below the Board level, including appointment or removal of the Chief Financial Officer and Company Secretary, if any
- Materially important litigations, show cause, demand, prosecution and penalty notices, if any
- Fatal or serious accidents, dangerous occurrence, and issues related to material effluents or pollution, if any
- Any materially relevant defaults in financial obligations to and by the Company, if any
- Any issue that involves possible public or product liability claims of a substantial nature
- Any significant development involving human resource management
- Non-compliance with any regulatory, statutory or listing requirements, as well as shareholder services, such as non-payment of dividend and delays in share transfers, if any
- Quarterly compliance reports and investor grievance reports, if any and
- Discussion with independent directors

**Post-meeting Mechanism**

The important decisions taken at the Board/Committee Meetings are communicated to the concerned department(s).

**Induction and Training of Board Members:**

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction programme. The induction of Independent Directors include interactive sessions with the Functional Heads. The format of the letter of appointment is available on our website [https://frhl.in/upload/PDF/143\\_15\\_new\\_file\\_draft-letter-of-appointment-for-independent-directors.pdf](https://frhl.in/upload/PDF/143_15_new_file_draft-letter-of-appointment-for-independent-directors.pdf)

**Separate Meeting of Independent Directors:**

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the Independent Directors of the Company shall hold atleast one meeting in a year, without the attendance of Non-Independent Directors and members of the Management. All the Independent Directors shall strive to be present at such meetings. The meeting shall review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Board taking into account the views of the Executive Director and Non-Executive Directors.

A separate meeting of the Independent Directors of the Company was held on March 13, 2020 wherein Independent Directors Mr. Jamshed Delvadavala, Mr. Vinayak Padwal and Mr. Reyaz Mama met without any Executive and Non-Independent Directors and Senior Management Personnel. The performance of Non-Independent Directors (including Chairman) and the Board as a whole was reviewed. The Independent Directors also reviewed the quality, content and timelines of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

**Familiarization Programme for Directors**

Regulation 25(7) of SEBI (LODR) Regulations, 2015 with the Stock Exchange(s) stipulates that the Company shall familiarize the Independent Directors with the Company, their roles, right, responsibilities in the Company, nature of the industry in which Company operates, business model of the Company etc. through various programmes.

The Company on a regular basis provides a detailed review and makes presentations to the entire Board including Independent Directors on the Company's operations and business plans, nature of industry in which the Company operates and its business model. Such presentations are made by the Senior Management / Leadership team/ Functional Heads so that the Independent Directors can have direct interaction with them. The Company has held various programmes /presentations for the Independent Directors throughout the year on an ongoing and continual basis in the nature of familiarization in the areas referred in Regulation 25 of SEBI Listing Regulations. Some of such programmes carried out during the year are available on the website of the Company for information at Weblink: [https://frhl.in/upload/PDF/466\\_14\\_new\\_file\\_FAMILIARIZATION\\_PROGRAMME\\_2019-2020.pdf](https://frhl.in/upload/PDF/466_14_new_file_FAMILIARIZATION_PROGRAMME_2019-2020.pdf)

### **COMMITTEES OF THE BOARD**

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting. The Company has five Board Level Committees.

- A. Audit Committee,
- B. Nomination and Remuneration Committee,
- C. Stakeholders' Relationship Committee,
- D. Corporate Social Responsibility Committee and
- E. Risk Management Committee.

#### **(A) Audit Committee**

- **Qualified and Independent Audit Committee**

The Company complies with Section 177 of the Companies Act, 2013 as well as requirement under the listing regulations pertaining to the Audit committee. Its functioning is as under:

- i. The audit committee presently consists of the three Independent Directors and one Executive Director
- ii. All of the Members of the Committee are financially literate and having the requisite financial management expertise;
- iii. The Chairman of the Audit Committee is an Independent Director;
- iv. The chairman of the Audit Committee was present at the last Annual General Meeting held on September 23, 2019.

- **Terms of reference**

All the applicable matters provided in Regulation 18 of SEBI(LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

- **Composition, Names of members and Chairperson, its meetings and attendance :**

Two Third of the Members of the Audit Committee consists of Independent Directors.

**The details of its composition are as follows:**

Mr. Jamshed Delvadavala	Chairman
Mrs. Anju Timblo	Member
Mr. Reyaz Mama	Member
Mr. Vinayak Padwal	Member

#### **Meeting and Attendance**

During the year the Audit Committee met five times and necessary quorum was present at each meeting held on May 30, 2019, August 14, 2019 , November 14, 2019 , February 12, 2020 and March 13, 2020. The table below provides the attendance of each member at the Audit Committee Meetings during the financial year ended March 31, 2020:

Sr. No.	Name of the Director	Category	Meetings held	Meetings attended
1	Mr. Jamshed Delvadavala	Chairman (Independent Director)	5	5
2	Mr. Reyaz Mama	Member (Independent Director)	5	4
3	Mr. Vinayak Padwal	Member (Independent Director)	5	4
4	Mrs. Anju Timblo	Member (Executive Director)	5	5

The Audit Committee meetings are attended by invitation by CFO, the Statutory Auditors, the Internal Auditors, the General Manager of the Hotels, General Manager of the Company and Financial Controller of the Company.

Company Secretary Mrs. Asmeeta Matondkar is the Secretary of the Committee.

**(B) Nomination & Remuneration Committee**

• **Terms of reference**

The broad terms of reference of the Nomination & Remuneration Committee as approved by the Board, are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which are as follows:

- i. Review the performance of the Managing Director and other Executive Directors, after considering the company's performance.
- ii. Recommend to the Board, remuneration including salary, perquisite etc. to be paid to the Managing Director and other Executive Directors.
- iii. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors and Key Managerial Personnel and other employees.
- iv. To identify persons who are qualified to become Directors and who may be appointed in Senior Management, recommend to the Board their appointment/re-appointment of directors and removal.
- v. Formulation of criteria for evaluation of Independent Directors and the Board.
- vi. Devising a policy on Board diversity.
- vii. Support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors.

The Committee comprises of Three Independent Directors.

**The Composition of the Nomination & Remuneration Committee is as under:**

Mr. Vinayak Padwal	Chairman (Independent Director)
Mr. Reyaz Mama	Member (Independent Director)
Mr. Jamshed Delvadavala	Member (Independent Director)

**Notes:**

Company Secretary Ms. Asmeeta Matondkar is Secretary of the Committee.

During the year under review, the Committee met on March 14, 2020. The table below provides the attendance of each member at the Nomination and Remuneration Committee Meeting(s) held during the financial year ended March 31, 2020

Sr. No.	Name of the Director	Category	Meetings held	Meetings attended
1	Mr. Vinayak Padwal	Chairman (Independent Director)	1	1
2	Mr. Reyaz Mama	Member (Independent Director)	1	1
3	Mr. Jamshed Delvadavala	Member (Independent Director)	1	1

**Performance Evaluation**

The performance evaluation of the Board and its committees was conducted on the basis of functions, responsibilities, competencies, strategy and performance, risk identification and its control, diversity, governance and compliance etc. A structured questionnaire was circulated to the members of the Board covering various aspects of the Board's functioning, such as composition of the Board & Committees, experience & competencies, performance of specific duties governance issues, inflow of information, decision making, company's performance, governance etc. on a scale of one to five. Individual Directors including the Board Chairman's evaluation was on parameters such as attendance, participation in Board and Committee meetings, contribution at the meetings and otherwise, independent judgement etc.

Independent Directors were also evaluated on the below mentioned performance indicators:

- The ability to contribute to and monitor the Company's Corporate governance practices
- Active participation in long-term strategic planning
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities; these include participation in Board and Committee meetings

The performance evaluation of the Managing Director & CEO and the Non Independent Director was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**REMUNERATION OF DIRECTORS:**

**A. Remuneration to Non-Executive Directors (including Independent Directors)**

The Non-Executive Directors are paid remuneration by way of sitting fees. The Non- Executive Directors are paid sitting fees for each meeting of the Board or Committee as attended by them. The total amount of sitting fees paid to Non-Executive Directors during Financial Year 2019-20 was Rs. 3,75,000/-. The Non- Executive Director/Independent Directors do not have any material pecuniary relationship or transactions with the Company.

**B. Remuneration to Executive Director**

The appointment and remuneration of Executive Director i.e. Managing Director & CEO is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company and Agreement executed between her and the Company. The remuneration package of Managing Director & CEO comprises of fixed compensation payable every month and such perquisites, allowances and other benefits as approved by the Board and Members in General meetings.

The remuneration policy seeks to enable the Company to provide well-balanced and performance-related compensation package, taking into account industry standards and performance of the Company.

The Nomination and Remuneration policy is displayed on Company's website at [https://frhl.in/upload/PDF/302\\_27\\_new\\_file\\_Nomination\\_and\\_Remuneration\\_Policy-1.pdf](https://frhl.in/upload/PDF/302_27_new_file_Nomination_and_Remuneration_Policy-1.pdf)

Presently, the Company does not have a stock options scheme for its Directors.

**DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR ENDED MARCH 31, 2020**

Emoluments & benefits paid to Managing Director & CEO is Rs. 53,76,000/- during F.Y. 2019-20. Non-Executive Directors who attend the Board/Other Committee meetings are paid sitting fees. During the Financial year a sum of Rs. 3,75,000/- has been paid as sitting fees for attending Board and other Committee Meetings.

**(A) NON EXECUTIVE DIRECTORS**

Name of the Director	Sitting Fees (Rs)	No. of Shares/ convertible instruments held
Mr. Auduth Timblo	30,000	21,12,139
Mr. Jamshed Delvadavala	1,25,000	NIL
Mr. Reyaz Mama	1,10,000	NIL
Mr. Vinayak Padwal	1,00,000	NIL
Mr. Sujjain Talwar #	10,000	NIL

**Note:**

1. #Mr. Sujain Talwar has been appointed as a member of the Committee w.e.f. March 14, 2020.
2. There has been no pecuniary relationship or transactions other than above of the Non-Executive Director vis-à-vis the Company during the year under review. Directors other than Managing Director who attend Board and Committee Meetings are paid sitting fees of Rs. 10,000 /- per Board meeting and Rs. 10,000/- per Audit Committee meeting . A sitting fee of Rs. 5,000/- is paid for attending other Committee meetings.

The Company has paid dividend to the following Non-Executive Director:

Name of the Non-Executive Director	Amount of Dividend Paid during the year 2019-2020 (Amount in Rs.)
Mr. Auduth Timblo	21,12,139/-

**(B) EXECUTIVE DIRECTORS**

Salient features of terms of Appointment

<b>Particulars</b>	Mrs. Anju Timblo, Managing Director & CEO
<b>Term of Appointment</b>	Re-appointed for a period of 3 years from June 1, 2018 to May 31, 2021
<b>Salary</b>	Rs. 4 lakhs per month for initial one year and for the balance period in the range of Rs. 4 lakhs to Rs. 6 lakhs as may be fixed/approved with such increments as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors
<b>Perquisites</b>	<ul style="list-style-type: none"> <li>(a) Medical reimbursement: Actual without any limit Leave travel concession to her and family not exceeding Rs. 2,00,000/- per annum</li> <li>(b) Club Fees: subject to maximum of two clubs and excludes admission and life membership fees.</li> <li>(c) 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 of the appointee, subject to the condition that the leave accumulated but not availed off will not be allowed to be encashed.</li> <li>(d) Such other benefits, amenities and privileges as may be available to other Officers of the Company</li> <li>(e) contribution to Provident Fund</li> <li>(f) Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act</li> <li>(g) Provision of a Car for use of Company's business and telephone at residence will not be considered as perquisites</li> <li>(h) Personal long distance calls and use of Car for private purpose shall be billed by the Company to the Managing Director &amp; CEO</li> <li>(e) Reimbursement of all expenses incurred by her inconnection with Company's business.</li> </ul>
<b>Sitting Fees</b>	NIL
<b>Minimum Remuneration</b>	Where in any financial year during her tenure, the Company has no profits or its profits are inadequate in that case and subject to the approval of the Central Government, if and to the extent necessary and applicable, the Company shall pay the above remuneration as the minimum remuneration by way of salary, perquisites, other allowances and benefits as detailed above.
<b>Notice Period &amp; Severance Fees</b>	Six months prior written notice by either party or payment (remuneration payable for the period) in lieu of notice
<b>No. of Shares held</b>	9887629

\*Remuneration is within limits specified under Section 197 of the Act, as recommended by Nomination and Remuneration Committee.

**Selection and Appointment of Directors and their Remuneration:**

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2020 the Board has 6 (Six) members consisting of 1 (One) Executive or Whole Time Director, 4 (Four) Independent Directors and 1 (One) Non- Executive Director. The policy of the Company on director's appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013, is appended as an Annexure to the Board's Report.

**The aims and objectives of the remuneration policy are as follows:**

- a. To formulate a criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director(executive/non-executive) and recommend to the Board policies relating to remuneration of directors, KMPs and other employees.
- b. To formulate a criteria for evaluation of performance of all the directors on the Board;
- c. To devise a policy on Board diversity.
- d. The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members at the Managerial level to pursue the Company's long term growth.
- e. The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account industry standards and performance of the Company.
- f. The remuneration policy will ensure that remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

**Procedure for selection and appointment of the Board Members**

**Board membership criteria**

The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, academics, experience and insights in sectors/areas relevant to the Company, finance, economics, law and an ability to contribute to the Company's growth.

In evaluating the suitability of individual Board members, the Committee takes into account educational and professional background and personal achievements.

In addition, Directors must be willing to devote sufficient time in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

**Selection of Board Members/ extending invitation to a potential director to join the Board**

One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the company so as to enable the Board to discharge its function and duties effectively.

The Committee shall also ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

**Procedure for selection and appointment of Executives other than Board Members**

The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;

The Committee may conduct a wide-ranging search for candidates for the positions of Employees within the Company, its associate companies and on the human resources market;

The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;

A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of the Employees;

Before the selection of Employee, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;

The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

### **Compensation Structure**

#### **(a) Remuneration to Non-Executive Directors:**

The Non-Executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The sitting fees paid to the Non-Executive Directors for attending meetings of Board of Directors and Audit Committee is Rs. 10,000/- each per meeting respectively.

However, sitting fees for attending other Committee meetings i.e. Nomination and Remuneration Committee, Stakeholders Relationship Committee meeting, Risk Management Committee, Corporate Social Responsibility Committee is Rs. 5,000/- per meeting. No fees will be paid to the Independent Directors for attending a separate meeting of the Independent Directors. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-Executive Directors of the Company are not paid any other remuneration or commission.

The sitting fees of the Non-Executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified or implemented from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013.

#### **(b) Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs) other than Managing Director :**

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Whole Time Directors (WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for WTDs, KMPs and SMPs are subjected to the approval of the Board of Directors in due compliance of the provisions of Companies Act, 2013. The remuneration for the KMP and the SMP at the time of the appointment has to be approved by the Board but any subsequent increments shall be approved by the Managing Director of the Company as per the HR policy of the Company.

Any increase in remuneration of an employee of a Company incase related to the Managing Director or any other Director on the Board then the remuneration shall be first approved by the Nomination & Remuneration Committee.

A company shall appoint or re-appoint any person as its Managing Director for a term not exceeding five years at a time. No re-appointment shall be made one year earlier before the expiry.

For the purpose of selection of the Managing Director (MD), the Committee shall identify person of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee must ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

#### **Remuneration to Managing Director**

At the time of appointment and re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Managing Director within overall limits prescribed under the Companies Act, 2013.

The remuneration of the Managing Director consists of fixed compensation payable every month and such perquisites, allowances and other benefits as approved by the Board .

The remuneration shall be subject to the approval of the Members of the Company in General meetings.

As a policy, the Executive Directors are neither paid sitting fees nor any commission.

An Independent Director shall hold office for a term of upto five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiry of three years of ceasing to become a Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has served as an Independent Director for five years or more in the Company on October 1, 2014 or such other date as may be prescribed by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one more term of five years only.

In-case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his/her engagement level.

**(C) Stakeholders Relationship Committee**

- i. The terms of reference of the Stakeholders Relationship Committee is specifically resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non receipt of Annual Report, non receipt of declared dividend, issue of new/ duplicate certificates, general meetings etc.
- ii. Review of measures taken for effective exercise of voting results by shareholders.
- iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
- iv. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

**The Committee comprises of three Directors as under:**

Mr. Vinayak Padwal	Chairman
Mr. Reyaz Mama	Member
Mrs. Anju Timblo	Member

Name and Designation of Compliance Officer – Mrs. Asmeeta Matondkar - Company Secretary

During the year, 13 complaints were received from shareholders and investors. All the complaints have been resolved to the satisfaction of the complainants and no investor complaint was pending at the beginning or at the end of the year. The Company has acted upon all valid requests for share transfer received during 2019-2020 and no such transfer is pending.

All the share transfers and transmissions are placed before the Board for information and noting. The Board has expressed satisfaction with the Company's performance in dealing with investor grievances and its share transfer system.

Pursuant to Regulation 40(9) of the SEBI (LODR) Regulations, 2015 a certificate on half yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchange within stipulated time.

During the year the Committee met on March 13, 2020. The table below provides the attendance of each member at the Nomination and Stakeholders Relationship Committee Meeting during the financial year ended March 31, 2020.

Sr. No.	Name of the Director	Category	Meetings held	Meetings attended
1	Mr. Vinayak Padwal#	Chairman (Independent Director)	1	1
2	Mr. Reyaz Mama	Member (Independent Director)	1	1
3	Mrs. Anju Timblo	Member (Executive Director)	1	1

Note:

Mr. Vinayak Padwal attended the meeting through video conferencing.

**(D) Corporate Social Responsibility Committee**

The Company over the years have been striving to achieve a fine balance of economic, environmental and social imperatives. The Company’s CSR is not limited to philanthropy, but strives for economic development that positively impacts the society at large, by promoting education, providing health care & destitute care, sustainability related initiatives and other welfare activities.

**Composition of CSR committee, terms of reference, its meetings and attendance :**

• **Composition:**

Mr. Reyaz Mama	Chairman
Jamshed Delvadavala	Member
Mrs. Anju Timblo	Member

• **Terms of Reference:**

- (i) To formulate and recommend to the Board, a CSR Policy and the activities to be undertaken by the Company as per Schedule VII of the Companies Act, 2013;
- (ii) To recommend amount of expenditure on CSR activities;
- (iii) To monitor CSR activities of the Company.

During the year the Committee met two times i.e. on August 14, 2019 and March 13, 2020. The table below provides the attendance of each member at the Committee Meeting during the financial year ended March 31, 2020.

Sr. No.	Name of the Director	Category	Meetings held	Meetings attended
1	Mr. Reyaz Mama	Chairman (Independent Director)	2	2
2	Mr. Jamshed Delvadavala	Member (Independent Director)	2	2
3	Mrs. Anju Timblo	Member (Executive Director)	2	2

The CSR policy of the Company is available on our website, [https://frhl.in/upload/PDF/176\\_27\\_new\\_file\\_CSR\\_Policy\\_.pdf](https://frhl.in/upload/PDF/176_27_new_file_CSR_Policy_.pdf)

**(E) Risk Management Committee:**

The Risk Evaluation and Management is an ongoing process within the Organisation. The Company has a robust risk management framework to identify, monitor and minimize risks.

• **Composition**

Mr. Jamshed Delvadavala	Chairman (Independent Director)
Mrs. Anju Timblo	Member (Executive Director)
Mr. Reyaz Mama	Member (Independent Director)
Mr. M. A. Hajare	Member (Employee)
Mr. Satish Agrahar	Member (Employee)

The Company Secretary acts as the Secretary to the Committee.

The objective is to establish a framework, monitor the risk management plan of the Company and ensure its implementation. To lay down procedures for risk assessment and minimization and to identify, evaluate and mitigate operational, strategic and environmental risks.

The roles and responsibilities of the Risk Management Committee includes monitoring and review of risk management plan on a half yearly basis and reporting the same to the Board of Directors, in addition to any other terms as may be referred by the Board of Directors, from time to time.

## ***Fomento Resorts and Hotels Limited***

The Enterprise Risk Management (ERM) framework of the Company encompasses practice relating to the identification, assessment, monitoring and mitigation of strategic, operational and external environment risks to achieve key business objective. ERM framework at the Company seeks to minimize the adverse impact of risks to our key business objectives and enables the company to leverage market opportunities effectively. The Company's risk management practices seek to sustain and enhance the long-term competitive advantage of the Company.

During the year the Committee met two times on August 14, 2019 and March 14, 2020. The table below provides the attendance of each member at Committee Meeting during the financial year ended March 31, 2020

<b>Name of the Director</b>	<b>Category / Designation</b>	<b>Meetings held</b>	<b>Meetings attended</b>
Mr. Jamshed Delvadavala	Chairman (Independent Director)	2	2
Mr. Reyaz Mama	Member (Independent Director)	2	2
Mrs. Anju Timblo	Member (Executive Director)	2	2
Mr. M. A. Hajare	Chief Financial Officer	2	Nil
Mr. Satish Agrahar	Financial Controller	2	2

The Committee reviewed the Company's risk management practices and activities on half yearly basis. This includes review of risks to the achievement of key business objectives covering growth, profitability, operational excellence and actions taken to address these risks. The Committee also reviewed the risk related to the Company and discussed priorities of risk mitigation. The Committee shared regular updates with the Board regarding all aspects of risk management. While acknowledging the competitive nature of the business environment, the committee believes that the Company's risk framework, along with risk assessment, monitoring, mitigation and reporting practices, is adequate to effectively manage the foreseeable material risks. In conclusion, the Committee is sufficiently satisfied that it has complied with its responsibilities as outlined in the risk management policy.

### **CEO/CFO CERTIFICATION:**

In terms of Regulation 17(8) of the SEBI Listing Regulations, the Managing Director & CEO and the CFO have issued a certificate to the Board for the year ended March 31, 2020.

### **DISCLOSURES:**

#### **a) Related party transactions**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were on arm's length basis and do not attract the provisions of section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of The Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company (weblink: [https://frhl.in/upload/PDF/505\\_27\\_new\\_file\\_Related\\_Party\\_Transactions\\_Policy.pdf](https://frhl.in/upload/PDF/505_27_new_file_Related_Party_Transactions_Policy.pdf))

None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are on arm's length basis and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

Incorporated in the Annual Report are the disclosures of transactions with related parties in compliance with Indian Accounting Standard Ind AS-24.

**b) Details of non-compliance by the Company , penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory or any statutory authority, on any matter related to capital markets, during last three Financial years.**

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchange, Ministry of Company Affairs or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years.

Statutory Auditor have certified that the Company has complied with the conditions of Corporate Governance. The certificate forms part of this Annual Report.

**c) Vigil Mechanism /Whistle Blower Policy**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for Vigil Mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the company have been denied access to the Audit Committee. The Whistle Blower is displayed on the Company's website viz. [www.frh1.in](http://www.frh1.in) and also set out in Directors Report as "Annexure C".

**d) Risk Management**

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Risk management Committee.

The Company has a Risk Management policy, the key risks associated with the business of the Company and the measures taken to minimize the same are discussed in Management Discussion & Analysis Report.

**e) Policy for determining Material subsidiary**

During the year ended March 31, 2020 the Company does not have any material listed/unlisted subsidiary companies. However, The Company has in place a policy for determining "material subsidiary" and the same is disclosed on the Company's website at (Weblink: [https://frh1.in/upload/PDF/232\\_27\\_new\\_file\\_Policy\\_on\\_Material\\_Subsiidiaries.pdf](https://frh1.in/upload/PDF/232_27_new_file_Policy_on_Material_Subsiidiaries.pdf))

**f) Commodity price risk and Commodity hedging activities**

The company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

**g) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).**

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review.

**h) A certificate from a Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

**i) where the Board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.** Not Applicable

**j) Total fees for all services paid by the listed entity and its subsidiaries , on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. – Rs. 6,50,000/-**

**l) Disclosures in relation to the Sexual Harassment of Women at Work Place (Prevention , Prohibition and Redressal) Act, 2013.**

No complaints were reported during the financial year ended March 31, 2020

**m) Directors and Officers Liability Insurance (D & O) as specified under Regulation 25(10) of the SEBI Listing Regulations:**

The Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors, Officers, Managers and Employees of the Company for indemnifying any of them against any liability in respect of any default..

**n) Non- mandatory requirements**

Adoption of non mandatory requirements of the Listing Regulations is being reviewed by the Board from time to time.

**o) Other disclosures:**

1. The Independent Directors have confirmed that they meet the criteria of “Independence” as laid down in Section 149(6) of the Companies Act,2013.
2. The Company follows Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs in the preparation of its Financial Statements..
3. BSE’s Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, among others are also filed electronically on the Listing Centre.
4. The Company has put in place adequate internal control systems and procedures including adequate financial controls with reference to the financial statement.

**DISCRETIONARY REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The status of compliance with discretionary requirements as provided under SEBI (LODR) Regulations, 2015 with Stock Exchange is provided below:

1. Non-Executive Chairman’s Office: Chairman’s office is separate from that of the Managing Director & CEO. The expenses related to Chairman’s office are not met by the Company.
2. Shareholder Rights: As the quarterly and half yearly financial statements are published in the news papers and are posted on the Company’s website, the same are not being sent to the shareholders.
3. Modified Opinion(s) in audit report: The Company’s financial statement for the year ended March 31, 2020 does not contain any audit qualification.
4. Separate posts of Chairman and CEO: Mr. Auduth Timblo is a Director and Non-Executive Chairman and Mrs. Anju Timblo is the Managing Director & CEO of the Company.
5. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

**GENERAL BODY MEETINGS**

Location	Date	Time
Cidade de Goa, Vainguinim Beach, Goa - 403004	23rd September, 2019	4:00 p.m.
Cidade de Goa, Vainguinim Beach, Goa - 403004	22nd September, 2018	4:00 p.m.
Cidade de Goa, Vainguinim Beach, Goa - 403004	29th September, 2017	4:00 p.m.

**SPECIAL RESOLUTIONS:**

Special Resolutions passed in the Annual General Meetings held during last three financial years are as follows:

a.	Special Resolution passed at the Annual General Meeting held on September 29, 2017	Nil
b.	Special Resolution passed at the Annual General Meeting held on September 22, 2018	To approve re-appointment of Mrs. Anju Timblo as Managing Director & CEO of the company
c.	Special Resolution passed at the Annual General Meeting held on September 23, 2019	To re-appoint Mr. Reyaz Mama as an Independent Director To re-appoint Mr. Jamshed Delvadavala as an Independent Director

**POSTAL BALLOT:**

During the year under review, the Company did not conduct postal ballot process for passing any resolution, whether ordinary or special. None of the resolutions proposed for the ensuing Annual General Meeting is required to be passed by Postal Ballot.

**GENERAL SHAREHOLDERS INFORMATION:**

**1. Annual General Meeting**

Date: Saturday, November 21, 2020

Time: 4:00 p.m.

Venue: Through Video Conference and Audio – Visual means

**2. Financial Year 2020-2021**

For the year ended March 31, 2021 the results will be announced as per the tentative Schedules below:

Particulars	Date
First Quarter Results	On or before August 14, 2020
Second Quarter Results	On or before November 14, 2020
Third Quarter Results	On or before February 14, 2021
Audited Annual Results	On or before May 30, 2021

**3. Dates of Book Closure**

The Register of Members and share Transfer Register will remain closed for a period of 7 days from Saturday, November 7, 2020 to Friday, November 13, 2020 (both days inclusive).

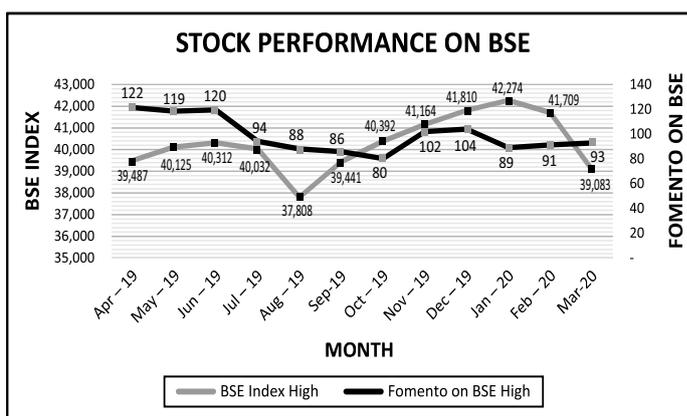
**4. Dividend Payment Date:**

In order to conserve cash and liquidity for the operations for financial year 2020-21, the Board of Directors decided not to recommend any dividend to the share shareholders for the financial year 2019-20. Hence no dividend will be paid for the F.Y. 2019-2020.

**5. Market Price Data**

Stock High/Low price and performance in comparison to broad-based indices viz., BSE Sensex is as under:

Month	BSE Index		Fomento on BSE	
	High	Low	High	Low
Apr-19	39487.45	38460.25	121.50	106.70
May-19	40124.96	36956.10	118.50	95.90
Jun-19	40312.07	38870.96	119.50	90.30
Jul-19	40032.41	37128.26	94.25	82.85
Aug-19	37807.55	36102.35	88.00	76.00
Sep-19	39441.12	35987.80	85.95	75.00
Oct-19	40392.22	37415.83	80.25	74.55
Nov-19	41163.79	40014.23	102.00	77.05
Dec-19	41809.96	40135.37	104.00	77.55
Jan-20	42273.87	40476.55	89.10	75.10
Feb-20	41709.30	38219.97	91.35	77.05
Mar-20	39083.17	25638.90	92.80	61.75



**6. Means of Communication**

<b>Quarterly Result</b>	<b>Published in newspaper</b>
Newspapers in which normally published	The Navhind Times, The Free Press Journal (in English) and Navprabha, Navshakti / Navakal (in Marathi)
Any website, where displayed	www.frh1.in
Whether it also displays official news release	None
The Presentation made to institutional investors or to the Analysts	None

All corporate information filed by the Company with the stock exchange is uploaded on [www.listing.bseindia.com](http://www.listing.bseindia.com) and can be viewed on website of the stock exchange i.e. [www.bseindia.com](http://www.bseindia.com). The information is also available on the Company's website [www.frh1.in](http://www.frh1.in)

**For and on behalf of the Board of Directors**

Place: Vainguinim Beach – Goa  
Date: July 30, 2020

**Auduth Timblo**  
**Director & Non Executive Chairman**  
**DIN : 00181589**

## Shareholders Information:

### 1. Unclaimed dividend

Section 124 of the Companies Act, 2013, mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF).

The details are as under:

Year	Type of Dividend	Dividend per share	Date of declaration	Due date for transfer	Amount*
2012-2013	Final	1.00	Sept 30, 2013	Nov 04, 2020	Rs. 2,18,523/-
2013-2014	Final	1.00	Sept 27, 2014	Nov 01, 2021	Rs. 2,14,961/-
2014-2015	Final	1.00	Sept 28, 2015	Nov 02, 2022	Rs. 2,26,048/-
2015-2016	Final	1.00	Sept 23, 2016	Oct 28, 2023	Rs. 2,43,636/-
2016-2017	Final	1.00	Sept 29, 2017	Nov 03, 2024	Rs. 2,48,942/-
2017-2018	Final	1.00	Sept 22, 2018	Oct 26, 2025	Rs. 1,97,658/-
2018-2019	Final	1.00	Sept 23, 2019	Oct 27, 2026	Rs. 1,68,355/-

\*Amount unclaimed as on March 31, 2020

Dividend remitted to IEPF during last three financial years:

Financial Year	Amount
2019 - 2020	Rs. 1,85,510/-
2018 - 2019	Rs. 1,80,099/-
2017 - 2018	Rs. 2,48,207/-

### 2. Listing on Stock Exchange

Name and Address of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra.	503831
ISIN Number for NSDL/CDSL	INE241E01014

The annual listing fees for the financial year 2020- 2021 to BSE Limited has been paid.

### 3. Company Registration and Corporate Identity Number (CIN)

The Company is registered in the state of Goa, India. The Corporate Identity Number (CIN), allotted by Ministry of Corporate Affairs, Government of India is L55101GA1971PLC000113 and Company Registration Number is 000113.

### 4. Registrar and Share Transfer Agents

Bigshare Services Private Limited  
Unit: Fomento Resorts and Hotels Limited  
Bharat Tin Works Building, 1st Floor,  
Opp. Vasant Oasis, Next to Keys Hotel,  
Marol Maroshi Road,  
Andheri (East), Mumbai,  
Maharashtra - 400059, India.

Phone No. +91-22-62638200

Fax No. +91-22-62638299

Email id : investor@bigshareonline.com

Website : www.bigshareonline.com

## **5. Share Transfer System**

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

### **Nomination**

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL: Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

### **Electronic Clearing Service**

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the Bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through ECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

### **Service of documents through electronic mode**

As a part of Green Initiative, the members who wish to receive notices/documents through e-mail, are requested to register the same in the following manner.

- a. In respect of electronic/demat holdings, through concerned Depository Participant (DP).
- b. Members who hold shares in physical form are requested to send their request by quoting name and folio number to **REGISTRAR AND SHARE TRANSFER AGENT** or follow the process as mentioned in the Notice of AGM.

### **(e) Distribution of Shareholding as on March 31, 2020**

<b>Sr. No.</b>	<b>Category (Shares) From - To</b>	<b>Number of Shareholders</b>	<b>No. of Shares</b>	<b>% To Equity Capital</b>
1	1 – 500	2,499	3,03,644	1.90
2	501 – 1000	94	81,479	0.51
3	1001 – 2000	57	95,734	0.60
4	2001 – 3000	7	17,194	0.11
5	3001 – 4000	6	21,409	0.13
6	4001 – 5000	6	27,819	0.17
7	5001 – 10000	9	56,590	0.35
8	10001 and above	11	1,53,96,131	96.22
	<b>TOTAL</b>	<b>2,689</b>	<b>1,60,00,000</b>	<b>100</b>

### **Reconciliation of Share Capital Audit**

In keeping with the requirements of the SEBI and Stock Exchanges, a Reconciliation of Share Capital Audit by a Practicing Company Secretary is carried out at the end of every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said audit confirms that the total issued/paid-up capital tallies with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**(f) Shareholding Pattern as on March 31, 2020**

Sr No.	Category of Shareholder	Total Holdings	Holding in %
1	Shareholding of Promoters	1,19,99,768	75.00%
2	Bodies Corporate	34,545	0.22%
3	Individuals	37,09,004	23.18
4	Non Resident Indians	1,20,163	0.75
5	Clearing Members	28,823	0.18
6	HUF	4,731	0.03
7	Employees	155	0.00
8	IEPF	1,02,811	0.64
		<b>1,60,00,000</b>	<b>100.00%</b>

**6. Dematerialization of Equity Shares and Liquidity**

The total number of equity shares in dematerialized form as on March 31, 2020 is 1,56,69,713 representing 97.94% of the total number of shares of the Company.

The equity shares of the Company are actively traded on the BSE.

**7. The status of equity shares lying in the IEPF Suspense Account:**

Sr. No.	Particulars	No. of shareholders	No. of equity shares held
1	Aggregate number of shareholders and the outstanding shares in the Suspense Account at the beginning of the year	643	95,325
2	Number of shares transferred to IEPF Suspense Account	71	7,486
3	Number of shareholders who approached the Company (with complete documentation) for transfer of shares from the IEPF Suspense Account	51	350
4	No. of shareholders to whom shares were transferred from IEPF Suspense Account	Nil	Nil
5	Aggregate Number of shareholders and the outstanding shares in the Suspense Account at the end of the year	714	1,02,811

The voting rights on the shares lying in the IEPF Suspense Account shall remain frozen till the rightful owner of such shares claims the shares.

**8. Address for Correspondence**

Shareholders correspondence should be addressed to:

Company	Registrar & Share Transfer Agents
The Company Secretary, Fomento Resorts and Hotels Limited, Unit: Cidade de Goa, Vainguinim beach, Dona Paula, Goa – 403004 Phone No.: 0832-2454545 Fax No.: 0832-2454542 Email: shareholders@frhl.in	Bigshare Services Private Limited Unit: Fomento Resorts and Hotels Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai, Maharashtra – 400059 Phone No.: 022-62638200 Fax No.: 022-62638299 Email: investor@bigshareonline.com

**9. Credit Ratings**

During the FY under review, Company's credit rating profile stood as under:

Instrument	Credit Rating Agency	As at March 31, 2020	Outlook
Bank Term Loan (Long – term)	Acuite Ratings & Research Limited	ACUITE BBB	Stable

**9. Location of Hotel**

The Company owns 207 keys 5 Star Deluxe Hotel “Cidade de Goa” located at Vainguinim beach, Goa – 403004 and 299 keys 5 Star and Convention centre known as “Taj Hotel & Convention Centre, Goa” located at Vainguinim Plateau, Dona Paula Goa, geographically close to the existing hotel Cidade de Goa. Both the Hotels are operated by Indian Hotels & Company Limited (IHCL) pursuant to the Hotel Operating Agreement executed between the Company and IHCL on February 11, 2019 effective from April 1, 2019.

**10. Outstanding GDR’s/ADR’s/Warrant’s/Convertible instruments and their impact on equity.**

Nil

**Other useful information for Shareholders:**

- a) For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed.
- b) Shareholders of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificate in the same name with different Ledger Folio(s) are requested to apply for consolidation of Folio(s) and send the relevant Share Certificates to the Registrar and Transfer Agents.
- c) Shareholders are requested to quote their e-mail id, telephone/ fax numbers to get prompt reply to their communication.
- d) The Securities and Exchange Board of India (‘SEBI’) vide its notification dated June 8, 2018 has amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which mandates that transfer of securities with effect from December 5, 2018, in dematerialized form only. Hence, shareholders are requested to dematerialize the shares held in physical form, by taking necessary steps with your Depository Participant(s).
- e) Pursuant to SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73, dated 20.04.2018, shareholders holding shares in physical form and whose folio numbers do not have / have incomplete details with respect to PAN and Bank particulars are mandatorily required to furnish the PAN and Bank details to the Company/ Registrar & Transfer Agent (RTA), for registration under their folios.

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**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS  
AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY’S  
CODE OF CONDUCT**

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2020.

**For Fomento Resorts and Hotels Limited**

Place: Vainguinim Beach - Goa  
Dated: July 30, 2020

**Anju Timblo  
Managing Director & CEO  
DIN : 00181722**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the**  
**SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
FOMENTO RESORTS AND HOTELS LIMITED  
Vainguinim Beach, Panaji Goa

I We have examined the relevant registers, records, forms, returns and disclosures received from Directors of **FOMENTO RESORTS AND HOTELS LIMITED** having CIN L55101GA1971PLC000113 and having registered office at Vainguinim Beach, Panaji Goa (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Jamshed Kaikobad Delvadavala	00047470	30/09/2006
2	Auduth Modu Timblo	00181589	20/07/1976
3	Anju Auduth Timblo	00181722	01/06/2018
4	Vinayak Manohar Padwal	00198772	15/11/2018
5	Reyaz Ratan Mama	02130452	28/07/2008
6	Sujjain Suresh Talwar	01756539	14/03/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Panaji, Goa  
Date: July 30, 2020

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**Shivaram Bhat**  
**Practising Company Secretary**  
**ACS No. 10454, CP No. 7853**  
**UDIN: A010454B000530204**

**CERTIFICATE BY THE MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY:**

We, the undersigned, in our respective capacities as Managing Director & CEO and CFO of Fomento Resorts and Hotels Limited ('The Company') to the best of our knowledge and belief we certify that :

- (1) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief, we state that:
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (2) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year under review, which are fraudulent, illegal or violative of the Company's code of conduct.
- (3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take, to rectify these deficiencies.
- (4) We have indicated to the Auditors and the Audit Committee
  - a. Significant changes, if any, in internal control over financial reporting during the year under review;
  - b. Significant changes, if any, in accounting polices during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. Instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Vainguinim Beach – Goa  
Date: July 30, 2020

**Anju Timblo**  
**Managing Director & CEO**  
**DIN : 00181722**

**M.A. Hajare**  
**Chief Financial Officer**  
**Membership No.: 30496**

## AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,  
The Members of  
Fomento Resorts and Hotels Limited

We have examined the compliance of the conditions of Corporate governance by Fomento Resorts and Hotels Limited, for the year ended March 31, 2020 as stipulated in Regulations 17 to 23, Regulations 25 to 27, Clauses (b) to (i) of Sub – Regulation (2) of Regulation 46 and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as “SEBI Listing Regulations, 2015”).

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for the ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us,

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 23, Regulations 25 to 27. Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended March 31, 2020.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **M/s. Sudha Suresh Pai & Associates**  
Chartered Accountants  
**Firm Reg. No 118006W**

Place: Margao - Goa  
Dated: July 30, 2020

**Sudha Pai T**  
Partner  
Membership No. 102232  
UDIN 20102232AAAABW7034

**Independent Auditor’s Report**

**To the Members of Fomento Resorts and Hotels Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Fomento Resorts and Hotels Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to Note 1 (C) and Note 48 to the financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company’s financial performance as assessed by the Management.

Our opinion is not modified in respect of the above matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Sr. No.</b>	<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
1	<p><b>Impact of COVID-19 pandemic</b></p> <p>On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic.</p> <p>The Indian Government has imposed lock-downs across the country from 22 March 2020. These lockdowns and restrictions due to COVID-19 pandemic have posed significant challenges to the business of the Company. This required the Company to assess impact of COVID-19 on its operations.</p> <p>In view of the above, we identified impact of COVID-19 on going concern as a key audit matter.</p>	<p>Our Audit procedure included the following:</p> <ul style="list-style-type: none"><li>• Obtained an understanding of the key controls relating to the company’s forecasting process.</li><li>• Compared the forecasted statement of profit and loss and cash flows with the Company’s business plan as prepared by the management.</li><li>• Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted statement of profit and loss and cash flow and assessed the consistency thereof with our expectation based on our understanding of the Company’s business.</li></ul>

Sr. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
		<ul style="list-style-type: none"> <li>Assessed the forecasted statement of profit and loss and cash flow by considering plausible changes to the key assumptions adopted by the Company.</li> </ul> <p><b>Key Observation</b></p>
2.	<p>The management expects that it's hotel units will be operational in a phased manner after the lockdown is lifted completely and the confidence of the travelers is restored. The management on the basis of estimations made concludes that the Company will continue as a going concern and will be able to discharge its obligations and expects to recover the carrying amounts of its assets. (Refer Note 1 (C) and Note 48 of the financial statements)</p> <p><b>Carrying Value of Property Plant and Equipment</b></p> <p>We identified the carrying value of Property Plant and equipment as one of the key audit matter because of it's significant risks of material misstatement.</p> <p>As at March 31, 2020, the Company has incurred a capital outlay of Rs. 7,300 Lacs on the New Hotel Project situated at Aravalli, Maharastra which is under construction. There is a significant delay in completion of the project which has led to Cost overruns.</p> <p>The management has concluded that the recoverable amount was higher than the carrying value of the property plant and equipment and that no impairment provision was required based on report of the independent external valuer.</p>	<p>Based on our audit work and as per the information and explanations given to us and the Company's plan to re-open its hotel units in phased manner, we assessed the conclusions drawn by the Company to continue as a going concern (Refer Note 1(C) and Note 48 to the financial statements)</p> <p>Our audit procedures included, but was not restricted to the following:</p> <ul style="list-style-type: none"> <li>Assessing the methodologies used for valuation of the property by the external valuer;</li> <li>Evaluating the independent external valuer's competence capabilities and objectivity;</li> <li>Checking on a sample basis, the accuracy and relevance of the input data provided by management to the external valuer;</li> <li>Considering the potential impact of reasonably possible downside changes in these key assumptions.</li> </ul> <p><b>Key observation:</b></p> <p>Based on our audit work and according to the information and explanation given to us, the valuation of Property Plant and Equipment, including Capital Work in Progress is accounted for in accordance with the Company's accounting policy, Ind AS 16 – Property Plant and Equipment and Ind AS 36 – Impairment of Assets.</p>

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total

comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare

circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the “Annexure A”, a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 Balance sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow dealt with this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
  - e) on the basis of written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;
  - f) with respect to the adequacy of internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
  - g) With respect to other matters to be included in the Auditor’s Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to the directors is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) which are required to be commented upon by us.

- h) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
  - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Sudha Suresh Pai & Associates**  
Chartered Accountants  
Firm Regn. No. 118006W

**Sudha Pai T**  
Partner  
Membership No. 102232  
UDIN 20102232AAAABV9000

Place: Margao, Goa  
Date : July 30, 2020

**Annexure “A” to the Independent Auditor’s Report**

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the Members of Fomento Resorts and Hotels Limited for the year ended 31<sup>st</sup> March 2020)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. In respect of the Company’s fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. As explained to us, considering the nature of fixed assets, the same have been physically verified by the Management at reasonable intervals during the year which in our opinion is reasonable. No material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. According to the information and explanations given to us, the management has conducted physical verification of inventories at reasonable intervals and no material discrepancies were noticed between the physical stock and book records on such physical verification.
- iii. The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (‘the Act’) and accordingly reporting under paragraph 3 (iii) of the order is not applicable to the Company.
- iv. The Company has not granted any loans, made any investments or provided guarantees and accordingly reporting under paragraph 3 (iv) of the order is not applicable to the Company.
- v. In our opinion, and according to information and explanations given to us, the company has not accepted any deposits as per the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. Accordingly reporting under paragraph 3 (v) of the order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act for the Company. Accordingly reporting under paragraph 3 (vi) of the order is not applicable to the Company.
- vii. In respect of statutory dues:
  - a. The Company is regular in depositing with appropriate authorities undisputed Statutory dues including provident fund, employees state insurance, income tax, customs duty, cess, goods and service tax, value added tax and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, service tax, customs duty, goods and service tax, value added tax and cess which were outstanding as at 31<sup>st</sup> March 2020 for a period of more than six months from the date they became payable.
  - b. According to the information and explanations given to us, the following are the disputed statutory dues which have not been deposited on account of disputed matters pending before the appropriate authorities:

(Rs. in lakhs)

Name of the Statute	Nature of dues	Forum where dispute is Pending	Amount	Period to which the amount relates
Expenditure Tax Act, 1987	Expenditure Tax	Supreme Court of India	571.19	Assessment Years 1996-97 and 1998-1999 to 2002-03
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)-1, Panaji Goa	23.44	Assessment Year 2017-18

- viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans to banks. The Company did not have any outstanding dues to financial institutions, Government and Debenture holders.
- ix. In our opinion and according to the information and explanation given to us, the moneys raised by way of term loan have been applied for the purpose for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly reporting under paragraph 3 (xii) of the order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under paragraph 3 (xiv) of the order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly reporting under paragraph 3 (xv) of the order is not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Sudha Suresh Pai & Associates**

Chartered Accountants  
Firm Regn. No. 118006W

**Sudha Pai T**

Partner  
Membership No. 102232  
UDIN 20102232AAAABV9000

Place: Margao, Goa

Date : July 30, 2020

## **Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the Members of Fomento Resorts and Hotels Limited for the year ended 31<sup>st</sup> March 2020)

### **Report on the Internal Financial controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to financial statements of Fomento Resorts and Hotels Ltd. (“the Company”) as at 31<sup>st</sup> March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to financial statements**

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent limitations of internal financial controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31<sup>st</sup> March 2020, based on the internal controls with reference to financial statements criteria established by the company considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

**For Sudha Suresh Pai & Associates**

Chartered Accountants  
Firm Regn. No. 118006W

**Sudha Pai T**

Partner  
Membership No. 102232  
UDIN 20102232AAAABV9000

Place: Margao, Goa  
Date : July 30, 2020

**AUDITED BALANCE SHEET AS AT 31ST MARCH 2020**

Rs. in Lakhs

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
<b>I Assets</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	53,842.79	3,348.69
(b) Capital Work-in-Progress	2	7,741.24	35,164.66
(c) Other Intangible Assets	2	137.03	71.28
(d) Financial Assets			
(i) Investments	3	0.10	0.10
(ii) Other Financial Assets	4	20.38	123.51
(e) Other Non-Current assets	5	1,145.64	1,578.97
<b>Total Non Current Assets</b>		<b>62,887.18</b>	<b>40,287.21</b>
<b>2 Current Assets</b>			
(a) Inventories	6	266.33	195.07
(b) Financial Assets			
(i) Trade Receivables	7	471.17	685.28
(ii) Cash and Cash Equivalents	8	2,243.96	256.29
(iii) Bank Balances other than (ii) above	9	877.47	2,890.44
(iv) Other Financial Assets	10	0.84	107.96
(c) Other Current Assets	11	988.99	226.41
<b>Total Current Assets</b>		<b>4,848.76</b>	<b>4,361.45</b>
<b>Total Assets</b>		<b>67,735.94</b>	<b>44,648.66</b>
<b>II Equity and Liabilities</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	12	1,600.00	1,600.00
(b) Other Equity	13	10,864.19	9,108.61
<b>Total Equity</b>		<b>12,464.19</b>	<b>10,708.61</b>
<b>2 Non-Current Liabilities</b>			
(a) Financial Liability			
(i) Borrowings	14	49,321.11	29,337.24
(ii) Other Financial Liabilities	15	-	12.61
(b) Employee Benefit Obligation	16	85.53	4.80
(c) Deferred Tax Liabilities (net)	17	660.68	366.66
(d) Other Non-Current Liabilities	18	1,411.93	886.47
<b>Total Non-Current Liabilities</b>		<b>51,479.25</b>	<b>30,607.78</b>
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables			
a) Dues of Micro Enterprises and Small Enterprises	19	8.79	8.00
b) Dues of Creditors other than Micro Enterprises and Small Enterprises	19	1,717.04	1,034.92
(ii) Other Financial Liabilities	20	1,620.75	1,688.37
(b) Other Current Liabilities	21	445.92	458.06
(c) Current Tax Liabilities (Net)	22	-	142.92
<b>Total Current Liabilities</b>		<b>3,792.50</b>	<b>3,332.27</b>
<b>Total Liabilities</b>		<b>55,271.75</b>	<b>33,940.05</b>
<b>Total Equity and Liabilities</b>		<b>67,735.94</b>	<b>44,648.66</b>
<b>Significant Accounting Policies</b>	1		

Note: The accompanying notes (1 to 51) form an integral part of the financial statements.

As per our Report of even date  
**For Sudha Suresh Pai & Associates**  
 Chartered Accountants  
 Firm Registration No. 118006W

For and on Behalf of Board of Directors of  
**Fomento Resorts and Hotels Limited**

**Sudha Pai T**  
 Partner  
 Membership no: 102232

**Anju Timblo**  
 Managing Director & CEO  
 DIN: 00181722

**Auduth Timblo**  
 Director and Non Executive Chairman  
 DIN: 00181589

**Asmeeta Matondkar**  
 Company Secretary  
 Membership No: A31514

**M. A Hajare**  
 Chief Financial Officer  
 Membership No: 30496

Place: Margao - Goa  
 Date: July 30, 2020

Place: Vainguinim Beach, Goa  
 Date: July 30, 2020

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

PARTICULARS	Note No	March 31, 2020 (Rs. In Lakhs)	March 31, 2019 (Rs. In Lakhs)
<b>1 Revenue</b>			
Revenue from Operations	23	7,127.43	6,754.55
Other Income	24	183.37	221.57
<b>Total Income</b>		<b>7,310.80</b>	<b>6,976.12</b>
<b>2 Expenses</b>			
Cost of food, beverages and supplies consumed	25	961.33	915.00
Employee Benefit expenses and Payment to Contractors	26	1,834.01	1,435.97
Finance Costs	27	445.14	725.39
Depreciation and Amortisation Expenses	28	533.87	230.46
Other Expenses	29	2,552.06	2,062.67
<b>Total Expenses</b>		<b>6,326.41</b>	<b>5,369.49</b>
<b>3 Profit/ (loss) before exceptional items and tax</b>		<b>984.39</b>	<b>1,606.63</b>
<b>4 Exceptional items</b>		-	-
<b>5 Profit / (loss) before tax</b>		<b>984.39</b>	<b>1,606.63</b>
<b>Tax (Expense) / Credit</b>			
Current Tax		(172.34)	(687.92)
Deferred Tax		(314.08)	(0.71)
Earlier year taxes		(11.67)	(0.03)
<b>Total Tax (Expense) / Credit</b>		<b>(498.09)</b>	<b>(688.66)</b>
<b>6 Profit / (loss) for the period</b>		<b>486.30</b>	<b>917.97</b>
<b>7 Other Comprehensive Income</b>	30		
(a) (i) Items that will not be reclassified to profit or loss		(68.87)	16.93
(ii) Income tax related to the Items that will not be reclassified to profit or (loss)		20.05	(4.93)
(b) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax related to the Items that will be reclassified to profit or (loss)		-	-
Other Comprehensive Income (net of Tax)		<b>(48.82)</b>	<b>12.00</b>
<b>8 Total Comprehensive Income</b>		<b>437.48</b>	<b>929.97</b>
<b>9 Earnings per Equity Share</b>			
(i) Basic	31	3.04	5.74
(ii) Diluted	31	3.04	5.74
<b>Significant Accounting Policies</b>	1		

Note: The accompanying notes (1 to 51) form an integral part of the financial statements.

As per our Report of even date  
**For Sudha Suresh Pai & Associates**  
Chartered Accountants  
Firm Registration No. 118006W

For and on Behalf of Board of Directors of  
**Fomento Resorts and Hotels Limited**

**Sudha Pai T**  
Partner  
Membership no: 102232

**Anju Timblo**  
Managing Director & CEO  
DIN: 00181722

**Auduth Timblo**  
Director and Non Executive Chairman  
DIN: 00181589

**Asmeeta Matondkar**  
Company Secretary  
Membership No: A31514

**M. A Hajare**  
Chief Financial Officer  
Membership No: 30496

Place: Margao - Goa  
Date: July 30, 2020

Place: Vainguinim Beach, Goa  
Date: July 30, 2020

**CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>As at 31st March 2020 (Rs. In Lakhs)</b>	<b>As at 31st March 2019 (Rs. In Lakhs)</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Net Loss) before tax	984.39	1,606.63
<b>Adjustment for:</b>		
Depreciation and amortisation expenses	533.87	230.46
Interest/Dividend earned	(60.47)	(111.46)
Sundry Balances written back	(50.00)	(15.90)
Excess Provision written back	(31.70)	-
Bad Debts Written off	1.96	13.90
Dividend on Redeemable cumulative preference shares	-	631.88
Provision for Employee Benefits	101.83	61.72
Interest on Debts and Borrowings	342.10	-
Interest on financial liabilities	49.72	54.12
Net (gain)/loss on disposal of Property, Plant and Equipment	(6.82)	(33.95)
<b>Cash Operating Profit before working Capital changes</b>	<b>1,864.88</b>	<b>2,437.40</b>
<b>Adjustments for (increase)/ decrease in operating assets:</b>		
Inventories	(71.26)	6.67
Trade Receivables	212.15	(300.43)
Other financial assets	10.98	6.81
Other Assets (Refer note 2 below)	(871.93)	(123.02)
<b>Adjustments for increase/ (decrease) in operating liabilities:</b>		
Trade and Other financial liabilities	134.00	282.22
Other liabilities	(17.60)	119.84
<b>Cash generated from Operating Activities</b>	<b>1,261.22</b>	<b>2,429.49</b>
Income Tax paid (Net)	(302.22)	(545.00)
<b>Cash flow before Extra-ordinary items</b>	<b>959.00</b>	<b>1,884.49</b>
<b>Net Cash from Operating Activities (A)</b>	<b>959.00</b>	<b>1,884.49</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for purchase of property, plant and equipment including capital work in progress and capital advances	(23,174.63)	(12,007.98)
Increase/ (decrease) in trade payables and other current liability attributable to purchase of property, plant and equipment including capital work in progress	1,419.82	836.88
Proceeds from disposal of property, plant and equipment	29.11	45.55
Bank Balances other than cash and cash equivalents	2,190.67	(69.00)
Interest received	82.02	164.19
Dividend Received	0.02	0.02
<b>Net Cash used for Investing Activities (B)</b>	<b>(19,452.99)</b>	<b>(11,030.33)</b>

PARTICULARS	As at 31st March 2020 (Rs. In Lakhs)	As at 31st March 2019 (Rs. In Lakhs)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings	(599.04)	(50.00)
Proceeds from long-term borrowings	22,297.60	10,154.84
Interest & other borrowing costs	(1,023.70)	(686.00)
Dividend & Tax on Dividends (Including unclaimed dividend)	(193.20)	(299.45)
<b>Net Cash from Financing Activities ( C )</b>	<b>20,481.66</b>	<b>9,119.39</b>
<b>Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)</b>	<b>1,987.67</b>	<b>(26.45)</b>
<b>Opening Balance of Cash and Cash equivalents</b>	<b>256.29</b>	<b>282.74</b>
<b>Closing Cash and Cash equivalents</b>	<b>2,243.96</b>	<b>256.29</b>

**NOTES :**

- Cash flow statement is prepared based on indirect method as per Ind AS 7 'Statement of Cash Flows'.
- Adjustment for increase/(decrease) in other assets includes Rs.832.20 Lakhs (March 31, 2019 - Rs.134.88 Lakhs) outflow towards GST input availed on property, plant and equipment and Capital Work in Progress.

As per our Report of even date  
**For Sudha Suresh Pai & Associates**  
 Chartered Accountants  
 Firm Registration No. 118006W

For and on Behalf of Board of Directors of  
**Fomento Resorts and Hotels Limited**

**Sudha Pai T**  
 Partner  
 Membership no: 102232

**Anju Timblo**  
 Managing Director & CEO  
 DIN: 00181722

**Auduth Timblo**  
 Director and Non Executive Chairman  
 DIN: 00181589

**Asmeeta Matondkar**  
 Company Secretary  
 Membership No: A31514

**M. A Hajare**  
 Chief Financial Officer  
 Membership No: 30496

Place: Margao - Goa  
 Date: July 30, 2020

Place: Vanguinim Beach, Goa  
 Date: July 30, 2020

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR  
ENDED MARCH 31, 2020**

(Rs. in Lakhs)

(a) Equity share capital	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	<b>1,60,00,000</b>	<b>1,600</b>	1,60,00,000	<b>1,600</b>
Add: Issue of Shares	-	-	-	-
Balance at the end of the reporting period	<b>1,60,00,000</b>	<b>1,600</b>	1,60,00,000	<b>1,600</b>

(b) Other equity	Reserves & Surplus					Total
	Capital Reserve	Retained Earnings	General Reserves	Equity Component of preference Shares (Refer Note 14.2)	Capital Investment Subsidy	
<b>Balance at 1st April 2018</b>	<b>2.21</b>	<b>7,299.83</b>	<b>1,161.05</b>	-	<b>15.00</b>	<b>8,478.09</b>
Profit for the year	-	917.97	-	-	-	<b>917.97</b>
Transfer from Retained Earnings	-	-	91.80	-	-	<b>91.80</b>
Transfer to General Reserve	-	(91.80)	-	-	-	<b>(91.80)</b>
Dividend paid during the year (including dividend distribution tax)	-	(299.45)	-	-	-	<b>(299.45)</b>
Other Comprehensive Income for the year (net of tax)	-	12.00	-	-	-	<b>12.00</b>
<b>Balance at 31st March 2019</b>	<b>2.21</b>	<b>7,838.55</b>	<b>1,252.85</b>	-	<b>15.00</b>	<b>9,108.61</b>
<b>Balance at 1st April 2019</b>	<b>2.21</b>	<b>7,838.55</b>	<b>1,252.85</b>	-	<b>15.00</b>	<b>9,108.61</b>
Profit for the year	-	486.30	-	-	-	<b>486.30</b>
Equity Component of preference Shares (Refer Note 14.2)	-	-	-	1,511.30	-	<b>1,511.30</b>
Transfer from Retained Earnings	-	-	48.63	-	-	<b>48.63</b>
Transfer to General Reserve	-	(48.63)	-	-	-	<b>(48.63)</b>
Dividend paid during the year (including dividend distribution tax)	-	(193.20)	-	-	-	<b>(193.20)</b>
Other Comprehensive Income for the year (net of tax)	-	(48.82)	-	-	-	<b>(48.82)</b>
<b>Balance at 31st March 2020</b>	<b>2.21</b>	<b>8,034.21</b>	<b>1,301.48</b>	<b>1,511.30</b>	<b>15.00</b>	<b>10,864.19</b>

Note: The accompanying notes (1 to 51) form an integral part of the financial statements.

As per our Report of even date  
**For Sudha Suresh Pai & Associates**  
Chartered Accountants  
Firm Registration No. 118006W

For and on Behalf of Board of Directors of  
**Fomento Resorts and Hotels Limited**

**Sudha Pai T**  
Partner  
Membership no: 102232

**Anju Timblo**  
Managing Director & CEO  
DIN: 00181722

**Auduth Timblo**  
Director and Non Executive Chairman  
DIN: 00181589

**Asmeeta Matondkar**  
Company Secretary  
Membership No: A31514

**M. A Hajare**  
Chief Financial Officer  
Membership No: 30496

Place: Margao - Goa  
Date: July 30, 2020

Place: Vainguinim Beach, Goa  
Date: July 30, 2020

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### Corporate Information

Fomento Resorts and Hotels Limited (“The Company”) is a public limited Company incorporated in the state of Goa, India and is engaged in the hotel business. The Company’s shares are listed on Bombay Stock Exchange Ltd.

The Ind AS financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorized for issue on July 30, 2020.

### Note 1

#### **BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared on the following basis:

#### **A) Basis of preparation of financial statements and compliance with Ind AS**

- i. These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (‘the act’) read with Companies ( Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.
- ii. These financial statements have been prepared as a going concern on accrual basis using historical cost convention except for certain financial instruments which are measured at fair value at the end of each reporting period.
- iii. All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III of the Act.
- iv. In preparing the financial statements in conformity with recognition and measurement principles of Ind AS requires management to make estimates, judgements and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period the same is determined. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

#### **B) Significant accounting estimates, judgments and assumptions**

**Income taxes:** Deferred tax assets are recognized to the extent it is probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax loss and rates and in certain cases, business plans, including management’s expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liability or the valuation of deferred tax asset and thereby the tax charged in the statement of profit or loss.

Provision of tax liabilities require judgement on the interpretation of tax legislations, developments in case laws and potential outcomes of tax audits and appeals which may be subject to significant uncertainties. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charged in the statement of profit and loss.

**Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revision made for the changes in facts and circumstances.

**Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unique credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature a

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

defined benefit obligation is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each balance sheet date.

**Fair valuation of preference shares:** Fair valuation of financial instruments –preference shares is determined by using valuation techniques. This involves significant judgements in the selection of a method in making assumptions and in identifying the most appropriate estimate of fair value when a wide range of fair value measurement is possible. The Company has evaluated it's operations, performance and expected cash flows to consider it's ability to repay preference shares.

**C) Estimation uncertainty relating to the global health pandemic on COVID-19:**

On March 11, 2020, the World Health Organization declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020. The lockdowns and restrictions imposed on various activities due to COVID-19 pandemic have posed challenges to the businesses of the Company.

Lockdown guidelines issued by Central / State government mandated closure of hotel operations and cessation of air traffic and other forms of public transport. This has resulted in shutdown of our hotels – Cidade De Goa and Taj Hotel and Convention Centre, Goa.

The hotels of the Company were shut down entirely during the lockdown phase as the Company was not part of Government denominated essential services. The Company expects the hotel to become operational in a phased manner after the lockdown is lifted and the confidence of travelers is restored. The Company expects the demand for its service to pick up albeit at a slower pace once lockdown is lifted and recovery in business to be driven by domestic leisure tourism, staycations, domestic business travel and limited international travel.

The Company has assessed the potential impact of Covid-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, supply chain and demand for its services. Various steps have been initiated by the Company in consultation with the Hotel Operator – Indian Hotels Company Limited (IHCL) to manage the working capital requirements in this COVID-19 scenario so as to manage costs within the reserves available with the Company. The Company has judiciously invoked the Force Majeure clauses for reliefs during the lock down period, wherever necessary.

The Company has also assessed the potential impact of Covid-19 on the carrying value of property, plant & equipment, intangible assets, trade receivables, inventories, and other current assets appearing in the financial statement of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these financial statement has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**D) Property, plant and equipment**

**i) Recognition and measurement:**

- a) Property, plant and equipment are stated at cost less accumulated depreciation except freehold land which is carried at historical cost. Costs include non-refundable taxes and duties, borrowing costs and other expenses incidental to the acquisition and installation upto to the date the asset is ready for intended use. The Company has elected to apply the optional exemption to use the previous GAAP value as deemed cost as at 1<sup>st</sup> April, 2016, from the date of transition to Ind AS.

- b) Intangible assets:

Intangible assets include cost of acquired software and are initially measured at acquisition cost including any direct attributable costs for preparing the asset for its intended use and as at reporting date are stated less accumulated amortization.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

c) Capital work in progress :

Capital work in progress in respect of asset which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

ii) **Depreciation and amortization**

Depreciation has been provided on straight line method on all tangible assets (other than freehold land) as per the useful life prescribed in Schedule II of the Companies Act 2013 except operating supplies issued on opening new hotel. The estimated useful life of operating supplies is taken as three years based on management evaluation taking into account the nature and estimated usage of the asset. Intangible assets being computer softwares are amortised over the period of five years unless the useful life of such intangible asset is less than five years in which case actual life is considered.

**E) Financial Instruments**

i) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Equity Instruments

The Company measures all equity instruments at fair value. Dividend from such instruments is recognized in the statement of profit and loss as other income when the Company's rights to receive payment is established.

De-recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

**F) Inventory**

Inventory of Stores and Spares, Food & Beverages is valued at cost on "Moving Weighted Average" method or net realisable value whichever is less.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

**G) Retirement Benefits**

Retirement benefits to employees are provided by way of contribution to Provident Fund, Superannuation Fund and Gratuity. Contribution for Gratuity is made on actuarial valuation to Fomento Resorts and Hotels Ltd Employees Gratuity Trust and Superannuation contributions are made to Fomento Resorts and Hotels Ltd Superannuation Fund. Both the funds are maintained with HDFC Standard Life Insurance Company Ltd.

**H) Foreign currency transactions:**

Transactions in Foreign Currency are recorded at the rates of exchange in force at the time the transactions are effected. Exchange differences arising on realisation of foreign currency are accounted at the time of realisation. Foreign currency assets and liabilities are translated into rupees at the exchange rate prevailing at the Balance Sheet date.

**I) Revenue recognition:**

Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to the customer i.e. on transfer of control of the goods or services to the Customer. Revenue from sale of goods or rendering of services is net of indirect taxes, returns and discounts.

- **Income from Operations**

**Room, Food and Beverages and Banquets:** Revenue is recognized at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognized once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

**Other allied services:** In relation to laundry income, health club income and other allied services, the revenue has been recognized by reference to the time of services rendered.

- **Interest**

Interest income is accrued on a time proportion basis using the effective interest rate method.

- Adjustment arising from Resolved Performance is accounted in the year of settlement (See note 49).

**J) Borrowing cost:**

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets are capitalised.

**K) Segment reporting:**

The Company is presently operating only one integrated hotel business at Goa namely, Cidade de Goa and the newly constructed hotel, Taj Hotel and Convention Centre, Goa ('THCCG'). The entire operation is governed by the same set of risk and returns and hence the same has been considered as representing a single segment. The said treatment is in accordance with the guiding principles enunciated in accordance with Ind AS -108 "Operating Segment".

**L) Earnings per share**

Earnings per share is calculated by dividing net profit/ (loss) after tax by weighted average number of equity shares outstanding during the year.

**M) Taxes on income:**

Provision for Income tax is made on the basis of tax liability computed in accordance with relevant tax rates and tax laws. Provision for deferred tax has been made as per Ind AS-12. Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each Balance sheet date.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 2 : PROPERTY, PLANT AND EQUIPMENT**

(Rs. in Lakhs)

PARTICULARS	Tangible Assets							Intangible Assets		Capital Work In Progress		
	Free Hold Land	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Office Equipment	Computers	Motor Buses	Computer Software		Total	
Cost as at April 1, 2019	123.18	2,273.80	1,149.69	396.37	1.15	22.49	97.33	11.85	86.44	4,075.86	86.44	35,164.66
Additions	-	20,728.98	11,531.45	18,525.38	8.01	0.04	250.87		71.29	51,044.72	71.29	23,640.21
Deletions		-	(25.84)	(0.90)	(1.00)	(0.15)	(5.04)			(32.93)		(51,063.63)
<b>Cost as at March 31, 2020 (A)</b>	<b>123.18</b>	<b>23,002.78</b>	<b>12,655.30</b>	<b>18,920.85</b>	<b>8.15</b>	<b>22.38</b>	<b>343.16</b>	<b>11.85</b>	<b>157.73</b>	<b>55,087.65</b>	<b>157.73</b>	<b>7,741.24</b>
Accumulated depreciation as at April 1, 2019	-	(147.48)	(333.37)	(200.88)	(0.45)	(13.93)	(22.56)	(8.50)	(15.16)	(727.17)	(15.16)	-
Depreciation for the current year	-	(77.26)	(167.69)	(247.00)	(0.08)	(2.89)	(31.28)	(2.13)	(5.54)	(528.33)	(5.54)	-
Deletions			8.03	0.75	-	0.08	1.78			10.64		-
<b>Accumulated depreciation as at March 31, 2020 (B)</b>	<b>-</b>	<b>(224.74)</b>	<b>(493.03)</b>	<b>(447.14)</b>	<b>(0.53)</b>	<b>(16.74)</b>	<b>(52.05)</b>	<b>(10.63)</b>	<b>(20.70)</b>	<b>(1,244.86)</b>	<b>(20.70)</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2020 (A) - (B)</b>	<b>123.18</b>	<b>22,778.04</b>	<b>12,162.27</b>	<b>18,473.71</b>	<b>7.62</b>	<b>5.64</b>	<b>291.11</b>	<b>1.22</b>	<b>137.03</b>	<b>53,842.79</b>	<b>137.03</b>	<b>7,741.24</b>

PARTICULARS	Tangible Assets							Intangible Assets		Capital Work In Progress		
	Free Hold Land	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Office Equipment	Computers	Motor Buses	Computer Software		Total	
Cost as at April 1, 2018	123.18	2,280.04	1,103.00	383.66	3.68	19.39	39.23	11.85	16.31	3,964.03	16.31	23,144.87
Additions	-	-	52.18	12.77	-	3.18	58.10	-	70.13	126.23	70.13	12,019.79
Deletions		(6.24)	(5.49)	(0.06)	(2.53)	(0.08)	-	-	-	(14.40)	-	-
<b>Cost as at March 31, 2019 (A)</b>	<b>123.18</b>	<b>2,273.80</b>	<b>1,149.69</b>	<b>396.37</b>	<b>1.15</b>	<b>22.49</b>	<b>97.33</b>	<b>11.85</b>	<b>86.44</b>	<b>4,075.86</b>	<b>86.44</b>	<b>35,164.66</b>
Accumulated depreciation as at April 1, 2018	-	(98.60)	(225.17)	(144.69)	(1.24)	(11.05)	(15.98)	(5.67)	(12.27)	(502.40)	(12.27)	-
Depreciation for the current year	-	(49.30)	(109.53)	(56.20)	(0.22)	(2.91)	(6.58)	(2.83)	(2.89)	(227.57)	(2.89)	-
Deletions		0.42	1.33	0.01	1.01	0.03				2.80		-
<b>Accumulated depreciation as at March 31, 2019 (B)</b>	<b>-</b>	<b>(147.48)</b>	<b>(333.37)</b>	<b>(200.88)</b>	<b>(0.45)</b>	<b>(13.93)</b>	<b>(22.56)</b>	<b>(8.50)</b>	<b>(15.16)</b>	<b>(727.17)</b>	<b>(15.16)</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2019 (A) - (B)</b>	<b>123.18</b>	<b>2,126.32</b>	<b>816.33</b>	<b>195.49</b>	<b>0.70</b>	<b>8.56</b>	<b>74.77</b>	<b>3.35</b>	<b>71.28</b>	<b>3,348.69</b>	<b>71.28</b>	<b>35,164.66</b>

Note:

- 1) Building includes Rs. 500/- being the cost of shares in Housing Co-operative society representing ownership rights in residential flats.
- 2) The Company has started operations of its New Hotel under the brand name "Taj Hotel and Convention Centre, Goa" on March 01, 2020 and accordingly Building, Plant and Machinery and Furniture, Fittings and other assets have been capitalized in the books of account. The capitalization of these Property, Plant and Equipments includes estimated cost on the basis of contracts/work orders, which has been incurred and certified by the management. Any adjustment on account of variations / final certified bills will be capitalised to respective Property, Plant Equipment when settled/approved.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

(Rs. In Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b><u>NOTE 3: NON-CURRENT INVESTMENTS</u></b>		
<b>Investment in equity instrument (unquoted)</b>		
<i>Investment at fair value through OCI (fully paid)</i>		
1,000 ( March 31, 2019: 1,000) equity shares of Saraswat Cooperative Bank Limited at Rs. 10/- fully paid	0.10	0.10
<b>Total</b>	<b>0.10</b>	<b>0.10</b>
<b><u>NOTE 4: OTHERS - NON-CURRENT FINANCIAL ASSETS</u></b>		
Fixed Deposits with Banks (with remaining maturity of more than 12 months) along with interest accrued thereon	9.47	105.64
Other Loans and Advances (at amortised cost)	10.91	17.87
<b>Total</b>	<b>20.38</b>	<b>123.51</b>
Fixed Deposits with Banks includes Rs. 7.46 Lakhs (March 31, 2019 84 Lakhs) representing margin money.		
<b><u>NOTE 5: OTHER NON-CURRENT ASSETS</u></b>		
Capital Advances	736.54	1,254.51
Prepaid Expenses	15.32	2.42
Balances with Government Authorities (Net)	304.42	216.21
Other deposits and advances	89.36	105.83
<b>Total</b>	<b>1,145.64</b>	<b>1,578.97</b>
<b><u>NOTE 6: INVENTORIES (at lower of cost or net realisable value)</u></b>		
Food and Beverages	112.34	70.79
Stores and Operating Supplies	153.99	124.28
<b>Total</b>	<b>266.33</b>	<b>195.07</b>
<b><u>NOTE 7: TRADE RECEIVABLES</u></b>		
Unsecured		
Considered good	471.17	685.28
<b>Total</b>	<b>471.17</b>	<b>685.28</b>
<b><u>NOTE 8: CASH AND CASH EQUIVALENTS</u></b>		
Balances with Bank		
In Current Accounts	2,220.32	233.68
Cheques and Currencies on Hand	2.30	3.32
Cash on Hand	21.34	19.29
<b>Total</b>	<b>2,243.96</b>	<b>256.29</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

(Rs. In Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b><u>NOTE 9: OTHER BALANCES WITH BANK</u></b>		
Balances with Bank		
(i) In Fixed Deposits account (with original maturity between 3 to 12 months) along with interest accrued thereon	862.29	2,874.44
(ii) In Earmarked Account		
Unpaid Dividend account	15.18	16.00
Escrow Account		-
<b>Total</b>	<b>877.47</b>	<b>2,890.44</b>
Fixed Deposits with banks includes Rs. 377.49 Lakhs (March 31, 2019 Rs. 888.70 Lakhs) representing margin money.		
<b><u>NOTE 10: OTHERS FINANCIAL ASSETS - CURRENT</u></b>		
Fixed Deposit with Banks (with remaining maturity of less than 12 months) along with interest accrued thereon	-	103.10
Loan / Advances to Employees	0.84	4.86
<b>Total</b>	<b>0.84</b>	<b>107.96</b>
<b><u>NOTE 11: OTHER CURRENT ASSETS</u></b>		
Prepaid Expenses	23.41	46.70
Balances with Government Authorities	940.44	129.66
Advance to Vendors	25.14	50.05
<b>Total</b>	<b>988.99</b>	<b>226.41</b>
<b><u>NOTE 12: EQUITY SHARE CAPITAL</u></b>		
<b>Authorised Capital</b>		
30,000,000 (March 31, 2019: 30,000,000) Equity Shares of Rs 10 each	3,000.00	3,000.00
27,000,000 (March 31, 2019: 27,000,000) Redeemable cumulative preference shares of Rs 100 each	27,000.00	27,000.00
	<b>30,000.00</b>	<b>30,000.00</b>
<b>Issued, subscribed and paid up capital</b>		
<b>Equity Share Capital</b>		
16,000,000 (March 31, 2019: 16,000,000) Equity Shares of Rs 10 each, fully paid up	1,600.00	1,600.00
<b>Total</b>	<b>1,600.00</b>	<b>1,600.00</b>

**(a) Reconciliation of number of equity shares**

(Amt. In Lakhs)

PARTICULARS	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Opening Balance	1,60,00,000	1,600	1,60,00,000	1,600
Changed during the year	-	-	-	-
<b>Closing Balance</b>	<b>1,60,00,000</b>	<b>1,600</b>	<b>1,60,00,000</b>	<b>1,600</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

**(b) Terms / Rights attached to equity shares**

The Company has one class of equity shares having par value of Rs.10 each. Each shareholder is eligible for one vote per share held.

**(c) Details of shareholders holding more than 5% shares along with number of shares held is as under:**

Name of the Shareholders	As at March 31, 2020		As at March 31, 2019	
	%	Shares	%	Shares
Anju Timblo	61.80	98,87,629	61.80	98,87,629
Auduth Timblo	13.20	21,12,139	13.20	21,12,139
Ajmera S Jayantilal *	5.11	8,17,100	5.11	8,17,100
Siddharth S Ajmera	5.11	8,17,100	5.11	8,17,100
Dhanesh S Ajmera	5.11	8,17,150	5.11	8,17,150
Ajmera S Jayantilal	3.86	6,17,100	5.11	8,17,100

\* On behalf of M/s Vasupujya corporation, a partnership firm, the other partners being Siddharth S Ajmera and Dhanesh S Ajmera

**(Rs. In Lakhs)**

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>NOTE 13: OTHER EQUITY</b>		
<b>Other Reserves</b>		
(i) <i>Capital Reserve</i>	<b>2.21</b>	<b>2.21</b>
(ii) <i>Capital Investment Subsidy</i>	<b>15.00</b>	<b>15.00</b>
(iii) <i>General Reserve</i>		
Balance at the beginning of the year	1,252.85	1,161.05
Transfer from retained earnings	48.63	91.80
<b>Balance at the end of the year</b>	<b>1,301.48</b>	<b>1,252.85</b>
(iv) Equity Component of preference Shares (Refer Note 14.2)	1,511.30	-
(v) <i>Retained Earnings</i>		
Balance at the beginning of the year	7,838.55	7,299.83
Add: Profit for the year	486.30	917.97
Other Comprehensive Income/ (expense) arising from Remeasurement of Defined Benefit Obligation	(48.82)	12.00
Less: Transfer to General Reserve	(48.63)	(91.80)
Dividend (including dividend distribution taxes)	(193.20)	(299.45)
<b>Balance at the end of the year</b>	<b>8,034.21</b>	<b>7,838.55</b>
<b>Total</b>	<b>10,864.19</b>	<b>9,108.61</b>
(i) <i>Capital Reserve</i> represents the amount of forfeited shares in the year 1987.		
(ii) <i>Capital Investment Subsidy</i> represents subsidy received by the Company in the year 1983.		
<b>NOTE 14: BORROWINGS</b>		
<b>Secured</b>		
Loan from Bank (Refer note 1 below)	28,005.26	7,900.96
<b>Unsecured</b> (at amortised cost unless stated otherwise)		
Loans from related parties	15,827.15	14,436.28
Redeemable cumulative preference shares from related party (Refer note 2 below)	5,488.70	7,000.00
<b>Total</b>	<b>49,321.11</b>	<b>29,337.24</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

Note 1) Terms and conditions of term loans from banks are tabulated below

Particulars	Sanctioned Loan Amount (Rs. in Lakhs)	Rate of Interest		Balance Repayment term
		Base	Spread	
Loan 1	8,500.00	Bank MCLR	0.20 to 1.45 basis points	120 equated monthly instalments
Loan 2	31,500.00	Bank MCLR	0.25 to 1.50 basis points	50 structured quarterly instalments

The aforesaid term loans are secured by first parri passu charge on (i) all immovable and movable fixed assets of existing hotel, Cidade de Goa ('CDG') and the newly constructed hotel, Taj Hotel and Convention Centre, Goa ('THCCG'), (ii) current assets, operating cash flows, receivables, revenues, intangibles of the company, (iii) Negative lien on movable and immovable fixed assets of Hotel Project under construction in Aravali, and further secured by (i) personal guarantee of promoter directors and (ii) Non-disposal Undertaking ('NDU') for 75% of the shares of the promoters in FRHL without prior approval of the bank.

Note 2) 7.5% Redeemable Cumulative Preference Shares ('RCPS') are entirely held by Fomento Resources Private Limited ('FRPL'). These shares carry a fixed dividend of 7.5% p.a. These shares were originally issued assuming to be redeemable after 5 years from the date of allotment, i.e. 10/01/2015. However based on the Company's current evaluation of its operations, performance and expected cash flows, these RCPS are redeemable at par on 10/01/2033. The company after considering the expected future cash flow projection in relation to dividend amount and redemption amount and timing of these amounts, has obtained valuation report for assessment of fair value of its RCPS. The fair value of RCPS has accordingly been determined as at March 31, 2020 by using 'Income Approach' as defined in IND AS 113 "Fair Value Measurement", by considering applicable discount factor, being risk free rate, for the period from valuation date to the date of redemption, adjusted for applicable credit risk. The Preference dividend rate being less than the market rate (after removal of Dividend Distribution Tax vide Finance Act, 2020) and RCPS holder being part of the group companies of the Promoters, the aggregate issue price is split into equity and liability element. The Equity component being the finance cost foregone by the holder of RCPS on account of lower interest rate and liability component being the fair value of the RCPS as arrived aforesaid.

(Rs. In Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b><u>NOTE 15: OTHER FINANCIAL LIABILITIES (NON-CURRENT)</u></b>		
Deposits	-	12.61
<b>Total</b>	<b>-</b>	<b>12.61</b>
<b><u>NOTE 16: EMPLOYEE BENEFIT OBLIGATION (NON-CURRENT)</u></b>		
Gratuity	85.53	4.80
<b>Total</b>	<b>85.53</b>	<b>4.80</b>
<b><u>NOTE 17: DEFERRED TAX LIABILITIES (NET)</u></b>		
Property Plant and Equipment	15,151.12	368.06
Gratuity	(24.90)	(1.40)
Loss u/s 35AD of Income Tax Act, 1961 (Refer note below)	(14,465.54)	-
<b>Total</b>	<b>660.68</b>	<b>366.66</b>
<p>Note: Deferred tax asset has been created on the available carry forward loss u/s 73A of the Income Tax Act, 1961, on account of deduction claimed u/s 35AD of the Act which is available for carry forward for indefinite period.</p>		

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

(Rs. In Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b><u>NOTE 18: OTHER NON-CURRENT LIABILITIES</u></b>		
Retention Money	1,407.75	882.29
Other Liabilities	4.18	4.18
<b>Total</b>	<b>1,411.93</b>	<b>886.47</b>
<b><u>NOTE 19: TRADE PAYABLES</u></b>		
Micro and Small Enterprises	8.79	8.00
Other Trade Payables (Refer note below)	1,717.04	1,034.92
<b>Total</b>	<b>1,725.83</b>	<b>1,042.92</b>
<p>Note: Includes Due to creditors for capital goods Rs. 1,110.39 Lakhs (March 31, 2019 - Rs. 634.44 Lakhs).</p>		
<b><u>NOTE 20: OTHER FINANCIAL LIABILITIES (CURRENT)</u></b>		
Current Maturities of Long term Borrowings from Banks	802.43	599.04
Interest Accrued but not due on the above loan	-	37.00
Dividend Payable on Redeemable Preference Shares	-	631.88
Unpaid dividends	15.18	16.00
Expenses Payable	114.32	69.20
Capital Expenditure Payable	412.94	-
Employee benefits payable	131.04	181.69
Deposits	64.24	39.13
Unpresented cheques	80.60	114.43
<b>Total</b>	<b>1,620.75</b>	<b>1,688.37</b>
<b><u>NOTE 21: OTHER CURRENT LIABILITIES</u></b>		
Retention money	5.46	-
Advances from customers	205.77	145.39
Statutory Dues	205.27	228.74
Other liabilities	29.42	83.93
<b>Total</b>	<b>445.92</b>	<b>458.06</b>
<b><u>NOTE 22: CURRENT TAX LIABILITIES (NET)</u></b>		
Provision for Taxation	-	142.92
<b>Total</b>	<b>-</b>	<b>142.92</b>
<b><u>NOTE 23: REVENUE FROM OPERATIONS</u></b>		
Sale of Room Nights	4,275.41	3,987.47
Food and Beverage	2,043.96	1,999.52
Wine and Liquor	397.40	369.67
Other Operational Revenue	410.66	397.89
<b>Total</b>	<b>7,127.43</b>	<b>6,754.55</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

(Rs. In Lakhs)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b><u>NOTE 24: OTHER INCOME</u></b>		
Interest Income	60.45	111.44
Dividend Income	0.02	0.02
License Fees	32.06	7.20
Profit on sale of property, plant and equipment	6.82	35.44
Gain on foreign exchange transactions (Net)	2.11	11.37
Scrap Sale	0.06	5.07
Sundry balances written back	50.00	15.90
Excess Provision written back	31.70	-
Other Non-Operating Income	0.15	35.13
<b>Total</b>	<b>183.37</b>	<b>221.57</b>
<b><u>NOTE 25: COST OF FOOD, BEVERAGES AND SUPPLIES CONSUMED</u></b>		
<b>FOOD &amp; BEVERAGES</b>		
Opening Stock	70.79	86.29
Add : Purchases	658.43	515.42
	<b>729.22</b>	<b>601.71</b>
Less : Closing Stock	112.34	70.79
<b>Food and Beverage Consumed</b>	<b>616.88</b>	<b>530.92</b>
<b>STORES &amp; SUPPLIES</b>		
Opening Stock	124.28	115.45
Add : Purchases	374.16	392.91
	<b>498.44</b>	<b>508.36</b>
Less : Closing Stock	153.99	124.28
<b>Stores and Supplies Consumed</b>	<b>344.45</b>	<b>384.08</b>
<b>Total</b>	<b>961.33</b>	<b>915.00</b>
<b><u>NOTE 26: EMPLOYEE BENEFIT EXPENSE AND PAYMENT TO CONTRACTORS</u></b>		
Salaries, Wages, Bonus, etc	1,293.12	1,185.48
Contribution to Provident and Other Funds	86.70	68.88
Retirement Benefits Expense	11.86	12.41
Deputed Personnel Cost	227.09	-
Contractor's payments for Labourers	91.34	11.91
Staff Welfare Expenses	123.90	157.29
<b>Total</b>	<b>1,834.01</b>	<b>1,435.97</b>
<b><u>NOTE 27: FINANCE COSTS</u></b>		
Dividend on Redeemable cumulative preference shares	-	631.88
Interest on Debts and Borrowings	342.10	-
Interest on Financial Liabilities	49.72	54.12
Bank Charges	53.32	39.39
<b>Total</b>	<b>445.14</b>	<b>725.39</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

**(Rs. In Lakhs)**

<b>PARTICULARS</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b><u>NOTE 28: DEPRECIATION AND AMORTISATION EXPENSES</u></b>		
Depreciation and Amortisation Expenses	533.87	230.46
<b>Total</b>	<b>533.87</b>	<b>230.46</b>
<b><u>NOTE 29: OTHER EXPENSES</u></b>		
Hire Charges	38.54	14.41
Power, Fuel and Water	353.17	295.95
Guest Transport	204.85	174.02
Repairs and Maintenance - Buildings	75.34	137.69
Repairs and Maintenance - Plant and Machinery	112.46	89.22
Repairs and Maintenance - Others	31.30	81.25
Freight and Forwarding	3.66	7.43
Laundry expense	118.62	115.70
Band, Music, Decoration and Horticulture	132.27	152.19
Security Charges	82.04	83.90
Postage and Telephone Expenses	48.63	37.04
Selling and Promotion Expenses	90.90	163.86
Legal and Professional Charges	248.37	173.67
Hotel Management Fees	601.50	-
Insurance	29.44	28.80
Director Sitting Fees	3.75	3.95
Auditor Remuneration		
Audit Fees	6.00	5.45
Tax Audit Fees	1.82	1.82
Other Capacity	0.30	0.55
Out Of Pocket Expenses	0.47	0.31
Rent, Rates and Taxes	71.40	37.99
Travelling and Conveyance	40.63	51.32
Commission, Brokerage and Discount	172.15	298.73
Loss on discard of property, plant and equipment	-	1.49
Contribution towards CSR	34.00	38.80
Debit Balances Writen Off	1.96	13.90
Miscellaneous Expenses	48.49	53.23
<b>Total</b>	<b>2,552.06</b>	<b>2,062.67</b>
<b><u>NOTE 30: OTHER COMPREHENSIVE INCOME</u></b>		
<b>Items that will not be reclassified to profit or loss</b>		
Defined Benefit Obligation	68.87	16.93
Income tax related to the Items that will not be reclassified to profit or loss	(20.05)	(4.93)
<b>Items that will be reclassified to profit or loss</b>		
Income tax related to the Items that will be reclassified to profit or loss	-	-
<b>Total</b>	<b>48.82</b>	<b>12.00</b>

**31. Earnings Per Share:**

Earnings per share is calculated by dividing net profit /(loss) after tax with weighted average number of equity shares.

(Rs. In Lakhs, unless stated otherwise)

<b>PARTICULARS</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Face Value per Share (Amount in Rs.)	10.00	10.00
Profit Attributable Equity Shareholders	486.30	917.97
Weighted average number of Equity Shares	1,60,00,000	1,60,00,000
E.P.S (basic and diluted) (Amount in Rs.)	3.04	5.74

**32. Revenue from Contracts with Customer**

The Company's revenue was primarily comprised of Revenue from Hotel operations - i.e. Room Revenue , Food and Beverages and Banquets has tabulated below.

Details of Revenue from contracts with Customers recognized by the Company (net of indirect taxes) in its statement of profit and loss disaggregated by types of revenue stream.

**Revenue from Operations**

**Revenue from contract with Customers:**

<b>PARTICULARS</b>	<b>Rs. in Lakhs FY 2019-20</b>	<b>Rs. in Lakhs FY 2018-19</b>
Sale of Room Nights	4,275.41	3,987.47
Food and Beverages	2,043.96	1,999.52
Wine and Liquor	397.40	369.67
Other Operational Revenue	410.66	397.89
<b>Total</b>	<b>7,127.43</b>	<b>6,754.55</b>

**Contract Balances**

The contract liabilities primarily relate to advance received from customers for whom revenue is recognized when the performance obligation is over / services delivered.

Advance collection is recognized when payment is received before the related performance obligation is satisfied. This includes advances received from customer towards rooms and banquets. Revenue is recognized once the performance obligation is met i.e. on room stay / provision of banquet services.

**Contract Liabilities**

<b>PARTICULARS</b>	<b>As on 31st March 2020</b>	<b>As on 31st March 2019</b>
Advance received from customers	205.77	145.39
<b>Total</b>	<b>205.77</b>	<b>145.39</b>

Considering the nature of business of the Company, the above contract liability are generally materialised as revenue within the same operating cycle.

- 33.** Sundry Debtors include an amount of Rs. 139.37 Lakhs (March, 31 2019- Rs.245.88 Lakhs) due from Companies in which one of the Director is common.
- 34.** The estimated amount of contracts remaining to be executed on Capital Account and not provided for is Rs.2,045.83 Lakhs (March, 31 2019-Rs.15,259.31 Lakhs).

**35. Contingent Liabilities:**

- a) Claims against the company not acknowledged as debt: Rs.339.35 Lakhs (March, 31 2019, Rs.202.50 Lakhs).  
 b) Other monies for which the Company is contingently liable:

<b>PARTICULARS</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
(i) Disputed Expenditure Tax Liability	571.19	676.88
(ii) Bank Guarantee and Letter of Credit	258.81	689.55
(iii) Income Tax	23.44	23.44
(iv) Disputed ESIC claim	-	26.37
(v) Disputed Claims Others	245.67	231.48

36. There is a suitable mechanism in place by the Company to provide for loss or reversal of loss towards impairment of assets if any. There is no indication of impairment of assets of the Company as at the respective year end.

**37. Related Party Disclosures:**

- a) Particulars of Associates

<b>Name of the Related Party</b>	<b>Nature of Relationship</b>
(i) Sociedade de Fomento Industrial Pvt. Ltd. (SFI)	Associate Company
(ii) Infrastructure Logistics Pvt. Ltd. (ILPL)	Associate Company
(iii) Marmugao Maritima Limited (MML)	Associate Company
(iv) Fomento Resources Pvt Ltd. (FRPL)	Associate Company
(v) Fomento Finance and Investments Pvt. limited (FFIPL)	Associate Company
(vi) Fomento Barges Pvt. Limited (FBPL)	Associate Company
(vii) Fomento Educational and Charitable Society (FECS)	Associate Concern

- b) Key Management Personnel (KMP):

<b>Name of the Related Party</b>	<b>Nature of Relationship</b>
(i) Mrs. Anju Timblo	Managing Director
(ii) Mr. Auduth Timblo	Director
(iii) Mr. M.A. Hajare	Chief Financial Officer
(iv) Mrs. Asmeeta Matondkar	Company Secretary

- c) Relatives of Key Management Personnel

- (i) Mr. Akash Timblo  
 (ii) Mr. Ambar Timblo

d) Details of transactions relating to (A), (B) and (C) referred above:

Rs.in lakhs

Particulars	Associates							KMP	Relative of KMP
	SFI	ILPL	MML	FRPL	FFIPL	FBPL	FECS		
Sale of Services (Room, Food, Beverages and other services)	65.10 <i>141.42</i>	17.76 <i>2.75</i>		6.83 <i>0.02</i>					
Remuneration								80.89 <i>78.45</i>	13.86 <i>13.86</i>
Director Sitting Fees								0.30 <i>0.30</i>	
Sharing of expenses(Net)	5.96 <i>14.89</i>	- <i>-</i>		1.02 <i>1.02</i>			5.15 <i>-</i>		
Sale of Flat									- <i>39.10</i>
Interest on borrowings (Refer note 2 below)				1,261.20 <i>1,224.07</i>					
Dividend on redeemable cumulative preference shares				- <i>525.00</i>					
Interest on financial liabilities					41.46 <i>45.29</i>	7.23 <i>7.90</i>			
Loan Repaid/ (Taken) (Net)				(207.08) <i>(500.00)</i>	- <i>50.00</i>				
Corporate Social Responsibility (CSR)Expenses							27.50 <i>27.00</i>		
Outstanding balance									
a) Current account balance receivable /(payable)	64.70 <i>171.21</i>	4.96 <i>0.86</i>	74.67 <i>74.67</i>	(1.37) <i>(0.35)</i>	— <i>—</i>	— <i>—</i>	1.44 <i>—</i>	— <i>—</i>	— <i>—</i>
b) Financial Liability	— <i>—</i>	— <i>—</i>	— <i>—</i>	20,642.59 <i>20,811.72</i>	558.44 <i>516.98</i>	114.82 <i>107.59</i>	— <i>—</i>	— <i>—</i>	— <i>—</i>
c) Equity Component of preference Shares (Refer Note 14.2)				1511.30					

1) The figures in *italics* represent previous year's figures.

2) Interest on borrowings of Rs.1166.20 Lakhs (Previous Year Rs.1224.07 Lakhs) for the year and to the extent attributable to the construction of hotel has been capitalized.

38. Details of Gratuity Plan:

#### Defined Benefit Plan

Gratuity: The Company offers the gratuity under employee benefit scheme to its employees. Gratuity is paid to a staff member who has put in a minimum qualifying period of 5 years of continuous services on superannuation, resignation, termination or to his nominee on death.

## Fomento Resorts and Hotels Limited

These defined benefit plan expose the company to actuarial risks, such as Salary inflation risk, interest rate risk and market (investment) risk.

### Movement of defined benefit obligation and fair value of plan assets

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the years are as follows :

(Rs. In Lakhs)

Particulars	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
<b>April 01,2018</b>	<b>276.80</b>	<b>267.48</b>	<b>9.32</b>
Interest Cost / (Income)	19.18	18.54	
Current Service Cost	11.77	-	
<b>Total amount recognized in statement of profit and loss</b>	<b>30.95</b>	<b>18.54</b>	<b>12.41</b>
Actuarial (Gains) / Losses on obligation due to change in financial assumption	1.17		
Actuarial (Gains) / Losses on obligation due to experience	(17.34)		
Return on Plan Assets (greater)/ less than discount rate		0.76	
<b>Total amount recognized in other comprehensive income</b>	<b>(16.17)</b>	<b>0.76</b>	<b>(16.93)</b>
Employer Contribution	-	-	
Benefit Payments	(25.78)	(25.78)	
<b>March 31, 2019</b>	<b>265.79</b>	<b>260.99</b>	<b>4.80</b>

<b>April 01, 2019</b>	<b>265.79</b>	<b>260.99</b>	<b>4.80</b>
Interest Cost / (Income)	17.70	17.38	
Current Service Cost	11.54		
<b>Total amount recognized in statement of profit and loss</b>	<b>29.24</b>	<b>17.38</b>	<b>11.86</b>
Actuarial (Gains) / Losses on obligation due to change in financial assumption	8.03		
Actuarial (Gains) / Losses on obligation due to experience	52.16		
Return on Plan Assets (greater)/ less than discount rate		(8.67)	
<b>Total amount recognized in other comprehensive income</b>	<b>60.19</b>	<b>(8.67)</b>	<b>68.87</b>
Employer Contribution	-	-	
Benefit Payments	(41.01)	(41.01)	
<b>March 31, 2020</b>	<b>314.21</b>	<b>228.68</b>	<b>85.53</b>

### Summary of actuarial assumptions

PARTICULARS	March 31, 2020	March 31, 2019
Discount rate	5.21%	6.66%
Salary growth rate	8.00%	8.00%
Expected return on assets	5.21%	6.66%
Employee Turnover rate	30%	30%
Mortality	Indian Assured Lives Mortality (2006-08)	

**Sensitivity Analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions, if there is change in assumption by 1%:

Rs. in Lakhs

Particulars	Impact on defined benefit obligation			
	Increase by 1%		Decrease by 1%	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate	(5.52)	(4.26)	5.80	4.48
Salary growth rate	5.60	4.38	(5.43)	(4.24)
Employee Turnover rate	(0.73)	(0.41)	0.76	0.42

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. In practice, this is unlikely to occur isolation of one another as some of the assumptions may be correlated. When calculating the above sensitivity analysis, the present value of the project benefit obligation has been calculated using the project unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**Risk Exposure** The defined benefit obligation have the under mentioned risk exposures

**Interest Rate risk**

The defined benefits obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**Salary Inflation risk**

Higher than the expected increases in salary will increase the defined benefit obligation.

**Investment risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has relatively balanced mix of investments in government securities, and other debt instruments.

**Demographic risk**

There is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

**Defined benefit liability and employer contribution**

Expected contribution to gratuity plan for the year ended March 31, 2020 is Rs.85.53 Lakhs.

The expected maturity analysis of undiscounted gratuity is as follows:

(Rs. In Lakhs)

Particulars	March 31, 2020	March 31, 2019
1st Following year	108.97	107.89
2nd Following year	67.42	58.75
3rd Following year	46.91	45.30
4th Following year	39.99	26.12
5th Following year	28.01	23.00
Sum of years 6-10	53.15	42.08

39. The amount due to Micro and Small Enterprises as defined in the MSMED Act 2006 has been determined to the extent such parties have been identified on the basis of information collected by the management and relied upon by the auditors. There are no interest dues on the same.

**Rs. In Lakhs**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
a) The principal amount remaining unpaid to supplier as at the end of the accounting year	8.79	8.00
b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the year	-	-
e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

40. Capital Work in Progress mainly comprises of assets under construction, unallocated expenditure and borrowing cost related to the new project under construction in the state of Maharashtra and assets under construction in the state of Goa.

**41. Corporate Social Responsibility**

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the Company. The areas for CSR activities are promoting education, art and culture, healthcare and destitute care. The gross amount required to be spent during the year as per the Act is Rs.33.93 Lakhs. The Company has spent Rs.34.00 Lakhs.

**42. Leases**

- a) **Company as Lessee:** The Company entered into non-cancellable operating lease arrangements primarily for office premises and residential premises for its employees.

During the year the Company has recognized lease rental expenditure of Rs.22.34 Lakhs (Previous year Rs.12.99 lakhs)

The future minimum lease payments under Non cancellable leases payable as at the year end are as follows:

**Rs. In Lakhs**

<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Less than one year	12.04	2.90
Between one and five years	-	16.28
More than five years	-	-

- b) **Company as lessor:** The Company entered into non-cancellable operating lease arrangements with respect to shops and offices located at hotel premises.

During the year the Company has recognized lease rental income of Rs.32.06 Lakhs (Previous year Rs.7.20 lakhs)

The future minimum lease rentals under Non cancellable leases receivable as at the year are as follows:

Rs. In Lakhs

Particulars	March 31, 2020	March 31, 2019
Less than one year	10.91	–
Between one and five years	–	–
More than five years	–	–

#### 43. Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern, so that they can continue to provide returns for stake holders, to service debt obligations and benefits for other stake holders.

Consistent with the others in the industry the Company monitors capital on the basis of 'gearing ratio'. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowing less cash and cash equivalents.

Rs. In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Total debt	50,123.54	29,936.28
Less - Cash and Cash Equivalents	(2,243.96)	(256.29)
Net debt	47,879.58	29,679.99
Total equity	12,464.19	10,708.61
Gearing ratio	3.84	2.77

#### 44. Financial Instruments

##### a) Accounting classification and Fair Values

The carrying amount and fair values of financial instruments by class are as follows :

Particulars	Note	Carrying Value / Fair Value	
		March 31, 2020	March 31, 2019
<b>Financial Assets</b>			
<b>Financial Asset measured at Fair Value</b>			
Investment measured at Fair value through Other Comprehensive Income (OCI)	3	0.10	0.10
<b>Financial Asset measured at Amortised Cost</b>			
Trade Receivable	7	471.17	685.28
Cash and Bank Balances	8 & 9	3,121.43	3,146.73
Other Financial Assets	4 & 10	21.22	231.47
<b>Total</b>		<b>3,613.92</b>	<b>4,063.58</b>
<b>Financial liabilities</b>			
<b>Financial Liabilities measured at Amortised Cost</b>			
Borrowings	14	49,321.11	29,337.24
Trade Payables	19	1,725.83	1,042.92
Other Financial Liabilities	15 & 20	1,620.75	1,700.98
<b>Total</b>		<b>52,667.69</b>	<b>32,081.14</b>

**b) Fair Value Hierarchy**

Level 1 : Quoted Prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

For assets or liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is as follows:

Particulars	Level	March 31, 2020	March 31, 2019
Investment measured at Fair value through Other Comprehensive Income (OCI)	3	0.10	0.10
Redeemable cumulative preference shares from related party	3	5488.70	7000

Cash and bank balances, trade receivables, investments in fixed deposits, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows based on effective interest method using rates currently available for debt on similar terms, credit risk and remaining maturities.

**45. Risk management framework**

The Company’s Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company has adopted a Risk Management Charter and Policy for self-regulatory processes and procedures for ensuring the conduct of the business in a risk conscious manner.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk and
- Market risk

**i) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or a counter party to financial instrument fails to meet its contractual obligation. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. Credit risk arises from cash and bank balances, deposits with banks as well as credit exposures to customers, including outstanding receivables.

The Company has established a credit policy under which each new customer is analyzed individually for credit worthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from appropriate authority. The Company did not provide for any loss allowance on trade receivables since risk of default is negligible.

The cash and cash equivalents held with banks with good credit ratings. The Company invests its short term surplus funds in bank fixed deposits which carry no / low mark to market risk for short duration, therefore does not expose the company to credit risks.

**ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without including unacceptable losses or risking damage to Company’s reputation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments which are accrued but not due.

## Maturity Analysis of Significant Financial Liabilities

Rs. In Lakhs

31st March 2020	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Long term borrowings (including current maturities)	50,123.54	65,904.33	1,727.95	4,162.66	5,905.88	54,107.83
Other Non-Current financial liabilities	-	-	-	-	-	-
Short term borrowings	-	-	-	-	-	-
Trade and other payables	1,725.83	1,725.83	1,725.83	-	-	-
Other current financial liabilities	818.32	818.32	818.32	-	-	-

31st March 2019	Contractual cash flows					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Long term borrowings (including current maturities)	29,936.28	39,564.73	1,752.91	4,096.10	3,501.55	30,214.17
Other Non-Current financial liabilities	12.61	14.08	-	14.08	-	-
Short term borrowings	-	-	-	-	-	-
Trade and other payables	1,042.92	1,042.92	1,042.92	-	-	-
Other current financial liabilities	1,089.33	1,052.33	1,052.33	-	-	-

## iii) Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

## a) Currency risk

The functional currency of the Company is India Rupee (INR). The Company has exposure in settlement of receivables due from charter Companies for their guest stay in at the Hotel mainly denominated US Dollars (USD).

## Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31st March 2020 and 31st March 2019 are as below:

Rs. In Lakhs

Particulars	March 31, 2020 USD	March 31, 2019 USD
Trade Receivables	—	79.33

The following significant exchange rates have been applied during the year:

Particulars	March 31, 2020	March 31, 2019
	Year end Spot Rate	Year end Spot Rate
USD	69.36	65.25

## Fomento Resorts and Hotels Limited

### Sensitivity analysis

A reasonably possible strengthening (weakening) of USD against INR at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

**Rs. In Lakhs**

Particulars	Profit or loss	
	Strengthening	Weakening
Effect in INR (before tax)		
For the year ended 31st March, 2020		
3% movement		
USD	-	-
For the year ended 31st March, 2019	-	-
3% movement	-	-
USD	2.38	(2.38)

Following are the unhedged foreign currency on account of exposures

Particulars	March 31, 2020		March 31, 2019	
	USD	INR in Lakhs	USD	INR in Lakhs
Trade Receivables	-	-	1,21,572.00	79.33

### b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The status of the borrowings as at the respective year ends is as follows

**Rs. In Lakhs**

Financial liabilities - measured at amortised cost	Note Reference	As at March 31, 2020	As at March 31, 2019
Fixed rate borrowings	14	21,315.85	21,436.28
Floating Rate borrowings	14 & 20	28,807.69	8,500.00
<b>Total of Financial Liabilities</b>		<b>50,123.54</b>	<b>29,936.28</b>

### Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. In cases where the related interest rate risk is capitalized to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the assets.

**Rs. In Lakhs**

Particulars	Profit or loss	
	Increase	Decrease
For the year ended 31 <sup>st</sup> March, 2020		
25 bps	49.39	(49.39)

### c) Price Risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss account. The Company does not have any investment in quoted equity investment and hence the Company is not exposed to any market price risk.

## 46. Movement in deferred tax balances

Rs. In Lakhs

Particulars	March 31, 2020					
	Net balance April 1, 2019	Recognised in profit or (loss)	Recognised in OCI	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(368.06)	(14,783.07)	-	(15,151.12)	-	(15,151.12)
Loss u/s 35AD of Income Tax Act, 1961	-	14,465.54	-	14,465.54	14,465.54	-
Employee benefits	1.40	3.45	20.05	24.90	24.90	-
<b>Tax assets (Liabilities)</b>	<b>(366.66)</b>	<b>(314.08)</b>	<b>20.05</b>	<b>(660.68)</b>	<b>14,490.44</b>	<b>(15,151.12)</b>

Particulars	March 31, 2019					
	Net balance April 1, 2018	Recognised in profit or (loss)	Recognised in OCI	Net deferred tax asset/ (liability)	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(363.74)	(4.32)	-	(368.06)	-	(368.06)
Employee benefits	2.71	3.61	(4.93)	1.40	1.40	-
	<b>(361.03)</b>	<b>(0.71)</b>	<b>(4.93)</b>	<b>(366.66)</b>	<b>1.40</b>	<b>(368.06)</b>
<b>Net tax assets / (Liabilities)</b>	<b>(361.03)</b>	<b>(0.71)</b>	<b>(4.93)</b>	<b>(366.66)</b>	<b>1.40</b>	<b>(368.06)</b>

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

Deferred tax asset has been created on the available carry forward loss u/s 73A of the Income Tax Act, 1961, on account of deduction claimed u/s 35AD of the Act which is available for carry forward for indefinite period.

## 47. Reconciliation of income tax expense applicable to accounting profits before tax at the applicable tax rate to recognised income tax expense for the year.

Particulars	March 31, 2020	March 31, 2019
Accounting Profit / (loss) before tax	984.39	1606.63
<b>Tax rate (As per MAT for the FY 2019-20)</b>	17.47%	29.12%
<b>Tax as per accounting profit</b>	171.98	467.85
Tax effect on		
(i) Changes in previous year profit / (loss) due to transition to Ind AS	-	199.76
(ii) Disallowed expenditure	-	33.57
(iii) Expenditure allowed on payment basis	-	(8.94)
(iv) Depreciation allowable as per Income Tax Act, 1961 (net)	-	5.57
(v) Others	0.36	(9.89)
Earlier year Taxes	11.67	0.03
Change in deferred tax assets / liabilities	314.08	0.71
<b>Tax Expense</b>	<b>498.09</b>	<b>688.66</b>

48. The Company faces significant uncertainties due to COVID-19 which have impacted the operations of the Company adversely starting from the month of March 2020 onward. Management has assessed the impact of existing and anticipated effects of COVID-19 On the future cash flow projections and has prepared a range of scenarios to estimate financing requirements. Based on aforesaid assessment, management believes that as per estimates made conservatively, the Company will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as at March 31, 2020 (also see note 1 (c)).
49. The Company entered into Hotel Operating Agreement ('HOA') dated February 11, 2019 with The Indian Hotels Company Limited ('IHCL' / 'Operator') to manage and operate its Hotels namely Cidade De Goa ('CDG') and Taj Hotel and Convention Centre, Goa ('THCCG') for a period of 22 years. Accordingly, IHCL undertook the management and operation of CDG w.e.f. April 01, 2019 and THCCG w.e.f. March 01, 2020. In terms of the said agreement, the Company and the Operator are required to evaluate the actual performance achieved by the operator as per the HOA. Pursuant to the outcome of this evaluation (referred to as 'Resolved Performance' in accordance with the HOA), adjustments in the books of account for the expected deficit arising from such Resolved Performance will be accounted in the year of settlement.
50. Balances in Trade receivables, Trade payables and Loans and advances are subject to confirmation.
51. Previous year figures have been regrouped / reclassified wherever necessary to conform to current year's figures.
- Notes 1 to 51 form an integral part of the financial statements.

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As per our Report of even date  
**For Sudha Suresh Pai & Associates**  
Chartered Accountants  
Firm Registration No. 118006W

For and on Behalf of Board of Directors of  
**Fomento Resorts and Hotels Limited**

**Sudha Pai T**  
Partner  
Membership no: 102232

**Anju Timblo**  
Managing Director & CEO  
DIN: 00181722

**Auduth Timblo**  
Director and Non Executive Chairman  
DIN: 00181589

**Asmeeta Matondkar**  
Company Secretary  
Membership No: A31514

**M. A Hajare**  
Chief Financial Officer  
Membership No: 30496

Place: Margao - Goa  
Date: July 30, 2020

Place: Vanguinim Beach, Goa  
Date: July 30, 2020



**FOMENTO RESORTS AND HOTELS LIMITED**

**Registered Office:** Cidade de Goa, Vainguinim Beach, Goa – 403 004, India

Tel.: 91(832)2454545, Fax: 91(832)2454541/42

CIN: L55101GA1971PLC000113

E-mail: shareholders@frhl.in; Website: www.frhl.in

**NOTICE**

**[Pursuant to Section 101 of the Companies Act, 2013]**

**Dear Members,**

NOTICE is hereby given that the Forty Ninth Annual General Meeting of the members of Fomento Resorts and Hotels Limited (“**Company**”) will be held on Saturday, November 21, 2020 at 4:00 p.m.(I.S.T.) through Video Conferencing (“**VC**”) / Other Audio Visual Means (“**OAVM**”), to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2020, the Statement of Profit and Loss for the year ended on that date and the Statement of Cash Flow together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Auduth Timblo (DIN00181589), who retires by rotation and being eligible offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. To appoint Mr. Sujjain Suresh Talwar as an Independent Director and in this regard, pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149,150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 “Listing Regulations”, on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Mr. Sujjain Suresh Talwar (DIN 01756539) who was appointed as an Additional Director in the capacity of an Independent Director of the Company w.e.f March 14, 2020 , who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and is eligible for appointment, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act and who holds office as such up to the date of the ensuing Annual General Meeting, be and is hereby, appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years , i.e. from March 14, 2020 up to March 13, 2025.

4. To approve related party arrangements and in this regard, pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR) (including any statutory modifications, alterations or amendments thereto) and the Company’s Policy on ‘Related Party Transactions’, the consent of the Members of the Company be and is hereby accorded to ratify/approve enter into new, further contracts/arrangements/agreements/transactions, with Sociedade de Fomento Industrial Pvt. Ltd.(SFI), FomentoMedia, a unit of Sociedade de Fomento Industrial Pvt. Ltd., Infrastructure Logistics Pvt. Ltd.(ILPL) and Fomento Resources Pvt.Ltd.(FRPL) ‘Related Parties’ within the meaning of the Companies Act, 2013 and LODR, for the term of three consecutive years i.e. F.Y. 2020-2021 to F.Y. 2022-2023, provided that such contract(s)/transaction(s)/arrangement(s)/ agreement(s) so carried out shall at all times be at arm’s length basis and in the ordinary course of the Company’s business, not exceeding the maximum value of transactions(exclusive of applicable taxes) which are more particularly enumerated in the table herein:

**Fomento Resorts and Hotels Limited**

Sr. No.	Nature of Transactions	Period of Time	Name of the Related Party	Maximum Value of Transaction(s) (Amount in Lakhs)	
				Receipts	Payments
1	Sale/rendering of Services such as Rooms, Food & Beverage and other related services	April 01, 2020 to March 31, 2023	Sociedade de Fomento Industrial Pvt.Ltd.	975.00	-
2	Purchase /availing of support services i.e. Purchase of newspapers, publishing advertisements	April 01, 2020 to March 31, 2023	Fomento Media, a unit of Sociedade de Fomento Industrial Pvt.Ltd	-	12.00
3	Sale/Rendering of Services such as Rooms, Food & Beverage and other related services	April 01, 2020 to March 31, 2023	Infrastructure Logistics Pvt.Ltd	431.00	-
4	Sale/Rendering of Services such as Rooms, Food & Beverage and other related services	April 01, 2020 to March 31, 2023	Fomento Resources Pvt. Ltd	1104.00	-

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/ or a Committee thereof, be and are hereby, authorised to undertake all such acts, matters, deeds and things to finalise and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party(ies) and execute such agreements, documents and writings as deemed necessary, proper, desirable and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

5. To approve the conversion of loan into equity shares of the Company and in this regard, pass the following resolution as a **Special Resolution:**

**RESOLVED THAT** in accordance with the provisions of Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), the rules framed thereunder and the Memorandum and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded empowering the board of directors of the Company (hereinafter referred to as the “**Board**”, which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by way of this special resolution) to avail financial assistance for a rupee term loan for an additional aggregate principal amount not exceeding Rs. 60,00,00,000/- (Indian Rupees Sixty Crores only) (“**Rupee Loan Facility**”) by entering into an agreement (“**Facility Agreement**”) and other financing/ security documents (“**Finance Documents**”) under lending arrangements with certain banks and/or financial institutions(referred to as the” **Lenders**”, which expression shall include any successors, assigns and transferees thereof)and to accept one of the terms of the sanction authorising conversion of outstanding loan or part thereof into fully paid up equity shares of the Company in the event of default or upon exercise of an option by the Lenders provided under the Facility Agreement and other Finance Documents or upon occurrence of default and receipt of notice of conversion by the Lenders, as may be stipulated by the Lenders under the Facility Agreement or any other Finance documents to be executed between the Company and the Lenders for availing the Rupee Loan Facility.

“**RESOLVED FURTHER THAT** in accordance with the provisions of Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), the rules framed thereunder and the Memorandum and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board in respect of the Rupee Loan Facility to be availed from the Lenders to convert all amounts outstanding in relation to the Rupee Loan Facility or part thereof into fully paid up equity shares in the Company upon the occurrence of an event of default (how so ever may be defined under the relevant Finance Documents) in relation to such lending arrangements or upon exercise of an option provided under the Facility Agreement or other Finance Documents and at a price to be determined in accordance with the applicable law at the time of conversion and on such terms and conditions as may be stipulated in the Finance Documents and in a manner specified in a notice in writing to be given by the Lenders( or their agents or Trustees) to the Company.

**“RESOLVED FURTHER THAT** the fully paid up equity shares to be so allotted and issued to the Lenders pursuant to its exercising the right of conversion shall rank pari-passu in all respects with the Equity shares in the Company and be listed on the Stock Exchange(s) where the existing shares of the Company are listed.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable to create, offer, issue and allot the aforesaid shares, to dematerialize the said fully paid-up equity shares of the Company, to convert the Secured Obligations (whether then due and payable or not) into fully paid-up equity shares of the Company and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection or incidental thereto as the Board, in its absolute discretion, may deem fit, without being required to seek any further consent or approval of the members of the Company or otherwise to the end and intent that they 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 one or more of the directors of the Company, with power to delegate to any officers of the Company to give effect to this resolution.”

**“RESOLVED FURTHER THAT** the copies of the foregoing resolutions, certified to be true by the Chairman, the Managing Director, Director and/or the Company Secretary of the Company, be furnished to the Lenders, the Security Trustee and other Secured Parties, their Agents, Trustees and/or representatives, and they be requested to act thereon.”

By Order of the Board  
For **Fomento Resorts and Hotels Limited**

Date: July 30, 2020  
Place: Vainguinim Beach - Goa

**Asmeeta Matondkar**  
Company Secretary

**NOTES:**

- 1) In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI Listing Regulations and MCA Circulars, the 49<sup>th</sup> AGM of the Company is being held through VC/ OAVM facility. Hence, Members can attend and Participate in the ensuing AGM through VC/OAVM.
- 2) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”), setting out the material facts concerning the Special Business(s) in the Notice is annexed hereto and forms part of this Notice.
- 3) Since this AGM is being held pursuant to the Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Since the AGM will be held through VC/OAVM, the route map is not annexed to this Notice.
- 4) Participation of members through VC/OAVM will be reckoned for the purpose of ascertainment of quorum under Section 103 of the Act. All resolutions shall continue to be passed through the facility of e-voting made available for the members.
- 5) Members of the Company under the category of Institutional Shareholders (i.e other than Individuals, HUF, NRI, etc.) are encouraged to attend and vote at the AGM through VC/OAVM. Members intending to authorize their representatives to participate and vote at the meeting are requested to submit a scanned copy (PDF format) of the relevant Board Resolution/ Authorization Letter, etc. together with attested specimen signature(s) of the duly authorised signatory (ies) who is/ are authorized to vote, to the Scrutiniser ([cs.sbhat@gmail.com](mailto:cs.sbhat@gmail.com)) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- 6) In view of relaxation given by MCA Circulars and SEBI Circular dated May 12, 2020 the Annual Report including Financial statements, Auditor’s report, Board’s report, Notice of AGM along with all the annexures and attachments thereof is being sent through email to those Members whose email addresses are registered with the Company’s RTA/ Depositories. Members may note that the Notice and Annual Report of the Company for the financial year 2019-20 will also be available on the website of the

Company at [www.frh.in](http://www.frh.in) and on the website of the Stock Exchange i.e. [www.bseindia.com](http://www.bseindia.com). The Company is making all efforts to physically dispatch the Annual Report along with Notice of the AGM to those shareholders whose email ids are not registered with the Company's RTA/Depositories. For those shareholders whose email ids are not registered, the process for registration of email addresses is as under:

- (i) In light of the MCA circulars, members who have not registered their email address and in consequence could not receive the electronic copy of the Annual Report along with the Notice of AGM, the shareholder can temporarily get their email address registered with Bigshare, by clicking the link [www.bigshareonline.com](http://www.bigshareonline.com) and follow the registration process as guided thereafter. Post successful registration of the email address, the Member shall send a written request by email to the Company's RTA at [investor@bigshareonline.com](mailto:investor@bigshareonline.com) and would get soft copy of the Annual Report which includes Notice of AGM. In case of any queries, Members may write to [investor@bigshareonline.com](mailto:investor@bigshareonline.com)
  - (ii) It is clarified that for permanent registration of email address, Members are requested to register their email addresses in respect of electronic holdings with their concerned Depository Participant(s) **and** in respect of physical holdings with Bigshare Services Private Limited, First Floor, Bharat Tin Works Building, Opposite Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai, Maharashtra – 400059, by following due procedure.
  - (iii) Those members who have already registered their email addresses are requested to keep their email addresses validated with their Depository Participants/Bigshare to enable servicing of Notices and documents electronically to their email address.
- 7) Members seeking any information with regard to financial statements at the AGM are requested to send their queries through Email to the email ID [shareholders@frhl.in](mailto:shareholders@frhl.in) at least 7 days before the meeting, so that the information can be compiled in advance.
  - 8) The Register of Members and the Share Transfer Register of the Company shall remain closed from November 7, 2020 to November 13, 2020 (both days inclusive).
  - 9) The amount of dividend remaining unclaimed or unpaid for a period of 7 years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly in the year 2019-20, the Company had transferred the unclaimed or unpaid dividend for the year ended March 31, 2012 to IEPF. Unclaimed Dividend in respect of the financial year ended March 31, 2013 will be due for transfer to Investor Education and Protection Fund on or after **(November 4, 2020)**. The Members who have not encashed the dividend warrants for the earlier years so far are requested to send their claims, if any, to the Company/RTA immediately. Once the amount is transferred by the Company to IEPF, no claim thereof shall lie against the Company.
  - 10) Members holding shares in electronic form are hereby advised to update their bank particulars in case there is any change for the receipt of future dividends, if any as the bank details registered against their respective depository accounts will be used by the Company for payment of dividend. Members holding shares in physical form and desirous of either registering or changing bank particulars are requested to write to the Company.
  - 11) Details under Regulation 36 (3) of SEBI Listing Regulations, 2015 in respect of the Directors seeking appointment/ re-appointment at the Annual General meeting, forms integral part of the notice as Annexure.
  - 12) The Board of Directors have re-appointed M/s.Sudha Suresh Pai and Associates, Chartered Accountants, Firm Registration No.118006W as Statutory Auditors of the Company from the conclusion of the 49th Annual General Meeting upto the conclusion of 50th Annual General Meeting of the Company as per the recommendation of the Audit Committee pursuant to Regulation 18(3), Sch.II.Part CA(2) of the SEBI (LODR) Regulations, 2015.  
The Auditors have submitted their consent for such re-appointment and that they satisfy the criteria provided in Section 141 of the Companies Act, 2013
  - 13) The Statutory Registers and the documents pertaining to the items of business to be transacted are available for inspection in electronic mode during the AGM.

**14) Voting through electronic means:**

- a) In compliance with provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI Listing Regulations 2015, the Company is pleased to provide to its members facility to exercise their right to vote at the 49<sup>th</sup> AGM by electronics means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (remote e-voting). The Company has availed the facilities of National Securities Depository Limited (NSDL) for facilitating e-voting.

- b) The remote e-voting period commences on November 18, 2020 (9.00 a.m.) (I.S.T.) and ends on November 20, 2020 (5.00 p.m.) (I.S.T.). The e-voting module will be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC/ OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- c) The members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC /OAVM but shall not be entitled to cast their vote again. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. November 14, 2020.
- d) The Company has appointed Mr. Shivaram Bhat, Practising Company Secretary (ACS: A10454 & CP 7853), as the ‘Scrutiniser’ to scrutinize the remote e-voting and the e-voting at the AGM in a fair and transparent manner. The Scrutinizer shall make a consolidated Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman within a period not exceeding 48 hours from the conclusion of the AGM.
- e) The results of voting would be declared on or after the date of AGM of the Company by the Chairman or the person authorized by him. These Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.frihl.in](http://www.frihl.in), on the website of NSDL and shall be forwarded to the Stock Exchange namely BSE Limited. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holds shares as of the cut-off date i.e. November 14, 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

15) General Instructions

- a) The instructions for members for e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is given below:

How to Log-in to NSDL e-Voting website?

- b) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
  - 1) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
  - 2) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
  - 3) Alternatively, if you are registered for NSDL e-services i.e. iDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing iDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
  - 4) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID for example If your DP ID is IN300*** and Client ID is 12*****then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID for example if your Beneficiary ID is 12*****then your user ID is 12*****
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company. For example if folio number is 001***and EVEN is 101456 then user ID is 101456001***

- 5) Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a.pdf file. Open the.pdf file. The password to open the.pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The.pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow the steps mentioned below in ‘Process for those shareholders whose e-mail IDs are not registered’.
- 6) If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/ Password” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - b) Click on “Physical User Reset Password” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- 7) After entering your password, tick (✓) on Agree to “Terms and Conditions” by selecting on the check box.
- 8) Now, you will have to click on “Login” button.
- 9) After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- 1) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- 2) After clicking on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycles is in active status.
- 3) Select “EVEN” of company for which you wish to cast your vote.
- 4) Now you are ready for e-Voting as the Voting page opens.
- 5) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the numbers of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- 6) Upon confirmation, the message “Vote cast successfully” will be displayed.
- 7) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 8) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**Instructions for members for attending the AGM through VC/OAVM and for voting during AGM are as under –**

- 1) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 2) Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

- 3) Members are encouraged to join the Meeting through Desktops or Laptops or Tablets for better experience.
- 4) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 5) Please note that Participants connecting from Desktops or Tablets or Laptop via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi- or LAN Connection to mitigate any kind of aforesaid glitches.
- 6) Members can join the AGM in VC/OAVM mode, between 15 minutes before and after the scheduled time of commencement of the meeting by following the procedure mentioned in this notice.
- 7) The facility for participation in the AGM through VC/OAVM will be available for 1000 members on first-come-first-served basis. This will not include large shareholders (i.e shareholders holding 2% or more shareholding), Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM without restrictions on account of first-come-first-served basis.
- 8) Shareholders who would like to express their views/ask questions may express the same through any of the following options-
  - i. Through Registered E-Mail ID: Shareholders may send their views/questions 7 days in advance, mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [shareholders@frhl.in](mailto:shareholders@frhl.in) from November 7, 2020 (09.00 a.m.) (IST) to November 13, 2020 (05.00 p.m.) (IST). Members are requested to send their e-mail with the subject titled "AGM 2020-Expression of views/questions". The same will be replied by the company suitably.
  - ii. Being a speaker during AGM: Members may register themselves as speaker by sending their request from their registered e-mail address mentioning their name, demat account number/folio number, email ID, mobile number at [shareholders@frhl.in](mailto:shareholders@frhl.in) on or before the closing business hours of November 14, 2020. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers, upto 5 members, on first-come-first-served basis.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:**

- 1) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate(front and back),PAN (Self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investor@bigshareonline.com](mailto:investor@bigshareonline.com) with a copy marked to [shareholders@frhl.in](mailto:shareholders@frhl.in)
- 2) In case shares are held in demat mode, please provide DPID-CLID (16digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investor@bigshareonline.com](mailto:investor@bigshareonline.com) with a copy marked to [shareholders@frhl.in](mailto:shareholders@frhl.in)

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cs.sbhat@gmail.com](mailto:cs.sbhat@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, pertaining to e-Voting you may refer the Frequently Asked Questions (FAQs) for Shareholders and remote e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call at toll free no.: 1800-222-990 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). In case of any grievances connected with facility for voting by electronic means, please contact Ms. Pallavi Mhatre, Manager, National Securities Depository Limited, Trade World, A – Wing, Fourth Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 or call at toll free No. 1800-222-990 or contact no. 91-22-24994545 or at email id. [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) / [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following statement sets out all material facts relating to all the Special businesses mentioned in the accompanying notice :

**Item No. 3** In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Sujjain Suresh Talwar (DIN 01756539), be and is hereby appointed as an Independent Director on the Board of the Company.

Mr. Sujjain Suresh Talwar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Sujjain Suresh Talwar that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations), 2015 (“Listing Regulations”). In the opinion of the Board, Mr. Sujjain Suresh Talwar fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Sujjain Suresh Talwar is independent of the management and possesses appropriate skills, experience and knowledge.

Details of Mr. Sujjain Suresh Talwar are provided in the “Annexure” to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Mr. Sujjain Suresh Talwar setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

**Item No. 4.**

Pursuant to the provisions of section 188 of the companies Act, 2013 (“the Act”), read with the Companies (Meetings of Board and its Powers) Rules, 2014 (“Rules”), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm’s length basis.

However, pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations), approval of the members through ordinary resolution is required for all material related party transactions, even if they are entered into ordinary course of business and on arm’s length basis. For this purpose, a transaction is considered material, if the transaction /transactions to be entered into individually or taken together with previous transactions during a Financial Year exceeds 10% of the annual consolidated turnover of the company, as per the last audited financial statements of the Company.

All the Related party transactions entered into by the company are at arms’ length basis and in the ordinary course of business and approval of the Audit Committee/Board is obtained, whenever required.

The transaction(s) entered into by the Company with Fomento Resources Private Limited (FRPL), together with the transactions already entered, qualifies to be material related party transaction/s under the Listing regulations. The company has existing arrangements with FRHL for borrowing unsecured inter corporate borrowings for the purpose of the hotel projects of the company which is availed in tranches by the Company from FRPL. However, the value of transactions with FRPL in respect of Financial year 2019-20 (for the services rendered such as sale of rooms/F&B and related services) and also the estimated value of transactions for the next financial year onwards is also likely to exceed 10% of the annual consolidated turnover of the Company, based on the audited financial statements for the year ended March 31, 2020.

Similarly, the value of transaction with Sociadeda de Fomento Industrial Pvt.ltd., Infrastructure Logistics Pvt. Ltd, Fomento Media, a unit of Sociadade de Fomento Industrial Pvt Ltd may qualify to be material related party transactions pursuant to Regulation 23 of SEBI (LODR) Regulations, 2015 considering the approval sought for the proposed period based on the audited financial statements for the year ended March 31, 2020.

Sociadade de Fomento Industrial Pvt.Ltd, Fomento media: unit of Sociadade de Fomento Industrial Pvt.Ltd, Infrastructure Logistics Pvt. Ltd and FomentoResources Private Limited are considered as related parties pursuant to Regulation 2(zb) of the SEBI Listing Regulations, 2015 and Section 2(76) of the Companies Act, 2013.

The Particulars of the Related Party transactions, which are required to be stated in the Explanatory statement, as per Rule 15 of the companies (Meetings of Board and its Powers) Rules, 2014 are enumerated in the table below:

**1. Sociedade de Fomento Industrial Pvt. Ltd (SFI)**

Sr. No.	Nature of Disclosure	Disclosure
1	Name of Related Party	Sociedade de Fomento Industrial Pvt. Ltd Fomento Media: unit of Sociedade de Fomento Industrial Pvt. Ltd
2	Name of Director or Key Managerial Personnel who is related, if any	Mr. Auduth Timblo Mrs. Anju Timblo Mr. Akash Timblo
3	Nature of Relation	<ul style="list-style-type: none"> <li>• Mr. Auduth Timblo, Director and Non Executive Chairman is:                             <ul style="list-style-type: none"> <li>(i) Chairman and Managing Director of Sociedade de Fomento Industrial Pvt. Ltd.</li> <li>(ii) holds more than 2% equity shares in SFI</li> </ul> </li> <li>• Mrs. Anju Timblo, Managing Director &amp; CEO of the Company is wife of Mr. Auduth Timblo.</li> <li>• Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo &amp; Mrs. Anju Timblo.</li> </ul>
4	Duration of Contract	<ul style="list-style-type: none"> <li>• 36 months for rendering and availing services;</li> </ul>
5	Nature, material terms, monetary value and particulars of the contract or arrangement	<p><u>Sale/Rendering of Services (Room nights/F&amp;B and related services)</u> The transaction with Sociedade de Fomento Industrial Pvt. Ltd will be in the ordinary course of business for sale of rooms nights, food &amp; beverages and other related services. Prices levied on such sales are always dynamic, varies day-to-day basis depending upon the season, availability of rooms, etc. The total value of transactions/ business proposed shall not exceed Rs. 975.00 lakhs over a period of 36 months. The Company's market segment being hotel and difficult to get Volume business from several travel agents and Corporates, the Company is assured of the Volume based business from SFI due to its business connects with its ready infrastructure at various locations.</p> <p><u>Availing Support Services</u> The Company avails support services of purchasing/ subscribing to newspaper named "The Goan" and "GoanVarta" a local English newspaper and Marathi newspaper depending upon the day to day occupancy to cater to the requests of the in-house guests and also publishes advertisement on need basis . The said transactions shall not exceed and amount of Rs. 12 lakhs for a period of 36 months.</p>
6	Whether approval of the Audit Committee is sought	Yes

7	Any other relevant information or fact important for the members to make decision on the proposed transaction	SFI provides substantial revenue considering the volume of business received by the Company. The Company also avails support services of availing newspapers as per occupancy to cater to the needs of its guest from Fomento Media, a unit of SFI, being a group Company.
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**2. Infrastructure Logistics Pvt. Ltd (ILPL)**

Sr. No.	Nature of Disclosure	Disclosure
1	Name of Related Party	Infrastructure Logistics Pvt. Ltd
2	Name of Director or Key Managerial Personnel who is related, if any	Mr. Auduth Timblo Mrs. Anju Timblo Mr. Akash Timblo
3	Nature of Relation	<ul style="list-style-type: none"> <li>Mr. Auduth Timblo, Director and Non Executive Chairman of the Company and Mrs. Anju Timblo, Managing Director &amp; CEO of the Company are parents of Mr. Ambar Timblo, who's trust is holding substantial shareholding in Infrastructure Logistics Pvt. Ltd</li> <li>Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo &amp; Mrs. Anju Timblo and brother of Mr. Ambar Timblo.</li> </ul>
4	Duration	<ul style="list-style-type: none"> <li>36 months for rendering and availing services;</li> </ul>
5	Nature, material terms, monetary value and particulars of the contract or arrangement	<p><u>Sale/Rendering of Services (Room nights/F&amp;B and related services)</u></p> <p>The transaction with Infrastructure Logistics Pvt. Ltd will be in the ordinary course of business for sale of room nights, food &amp; beverages and other related services. In addition, common recurring expenses incurred are also allocated to ILPL on actual basis. Prices levied on such sales are always dynamic, varies day-to-day basis depending upon the season, availability of rooms, etc. The total value of business shall not exceed Rs. 431.00 lakhs for a period of 36 months. The Company's market segment being hotel and difficult to get Volume business from several travel agents and Corporates, the Company is assured of the Volume based business from ILPL due to its business connects with its ready infrastructure at various locations.</p>
6	Whether approval of the Audit Committee is sought	Yes
7	Any other relevant information or fact important for the members to make decision on the proposed transaction	ILPL provides substantial revenue to the business considering the volume of business received by the Company.

3. Fomento Resources Pvt. Ltd. (FRPL)

Additional information required to be disclosed pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014:

Sr. No.	Nature of Disclosure	Disclosure
1	Name of Related Party	Fomento Resources Private Limited
2	Name of Director or Key Managerial Personnel who is related, if any	Mr. Auduth Timblo Mrs. Anju Timblo Mr. Akash Timblo
3	Nature of Relation	<ul style="list-style-type: none"> <li>• Mr. Ambar Timblo, Managing Director of Fomento Resources Pvt. Ltd. is                             <ul style="list-style-type: none"> <li>(i) a son of Mr. Auduth Timblo, Non Executive Chairman of the Company and Mrs. Anju Timblo, Managing Director &amp; CEO of the Company.</li> <li>(ii) Mr. Auduth Timblo and Mrs. Anju Timblo are also shareholders of Fomento Resources Private Limited and hold more than 2% shares in the said company.</li> </ul> </li> <li>• Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo &amp; Mrs. Anju Timblo and brother of Mr. Ambar Timblo.</li> </ul>
4	Duration	36 months for rendering services
5	Whether the transaction has been approved by the Audit Committee	Yes
6	Nature, material terms, monetary value and particulars of the contract or arrangement	<p><u>Sale/Rendering of Services (Room nights/F&amp;B and related services)</u></p> <p>The transaction with Fomento Resources Private Limited will be in the ordinary course of business for sale of room nights, food &amp; beverages and other related services. Prices levied on such sales are always dynamic, varies day-to-day basis depending upon the season, availability of rooms, etc. The total value of business shall not exceed Rs. 1104.00 lakhs for a period of 36 months. The Company's market segment being hotel and difficult to get Volume business from several travel agents and Corporates, the Company is assured of the Volume based business from FRPL due to its business connects with its ready infrastructure at various locations.</p>
7	Any other relevant information or fact important for the members to make decision on the proposed transaction	Fomento Resources Pvt. Ltd. (FRPL) provides substantial revenue to the business considering the volume of business received by the Company. The Company has availed unsecured inter corporate borrowings not exceeding an amount of Rs. 145 crores out of the sanctioned limit of Rs. 150 crores, at simple interest not

		<p>exceeding 11% per year from FRPL for the purpose of funding the 2 hotel projects (one located at Aarvli and the other one located at Vainguinim plateau, Goa) of the Company. The Company also has a sanction/approval from members to purchase a plot of land admeasuring 5425 square meters situated at Curca village, North District, Goa for a consideration not exceeding an amount of Rs. 4.10 crores from FRPL.</p> <p>FRPL holds 70,00,000 Non Convertible, Cumulative, Redeemable Preference shares of Rs. 100 each in the Company.</p>
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Considering the volume of business, revenue and support services received by the Company from the said related parties the Board believes it is in the best interest of the Company to enter into arrangements/transactions/agreements.

The Board therefore, recommends the Resolution set out in Item no.4 of the Notice for approval of the Members.

Except Mr. Auduth Timblo, Director & Non Executive Chairman, Mrs. Anju Timblo, Managing Director & CEO and Mr. Akash Timblo, relative of Director & KMP, none of the other Directors, Key Managerial Personnel of the Company or their relatives are in anyway, financially or otherwise concerned or interested in the said resolution.

In terms of Regulation 23(4) of the SEBI (LODR) Regulations, 2015 no related party shall vote to approve the resolution.

**Item No. 5**

In terms of the provisions of Section 180(1) (c), the shareholders of the Company have already accorded approval to the Board of Directors of the Company to borrow money/monies upto an amount of Rs. 750,00,00,000 (Indian Rupees Seven Hundred and Fifty Crores only) or an aggregate of the paid up capital and free reserves of the Company, whichever is higher by passing a special resolution by postal ballot on March 23, 2017.

To meet funding requirements towards proposed capital expenditure for the development and construction of new hotel project above the plateau of the existing running hotel at Goa, the Company had availed financial assistance (including a Rupee Term Loan Facility) for an aggregate principal amount not exceeding Rs. 400,00,00,000 (Rupees Four Hundred Crores only) (“**Facility**”), from bank(s) (referred to as the “**Lenders**”, which expression shall include any successors, assigns and transferees thereof) by entering into a facility agreement (“**Facility Agreement**”) and other financing/ security documents (“**Finance Documents**”) under lending arrangements on such terms and conditions as agreed between the Borrower and the Lenders.

In accordance with Covid-19 - Regulatory Package announced by Reserve Bank of India (“RBI”) on March 27, 2020 which permitted all lending institutions including NBFCs to grant a moratorium of three months on payment of all installments falling due between March 1, 2020 and May 31, 2020 . Thereafter RBI vide press release dated May 22, 2020 on Statement on Development and Regulatory Policies had stated that in view of the extension of the Lock down and continuing disruptions on account of Covid -19 pandemic, lending institutions should extend the moratorium on term loan installments by another three months, i.e. from June 1, 2020 to August 31, 2020. Accordingly, the Company has availed moratorium on loan from April, 2020 to August 31, 2020 as on the date of this notice.

The operations of the hotels of the Company namely “Cidade de Goa” and the new hotel “Taj Hotel & Convention Centre, Goa” which commenced its operations from March 1, 2020 had to be temporarily shut from the last week of March, 2020 due to the nationwide lockdown due to COVID-19 pandemic. The hotel operations are yet to resume as on the date of this notice.

In the event of further extension of moratorium by the RBI, the Company may be compelled to opt for the same due to shut down of operations.

On account of availing moratorium , the total sum of Rs. 400 crores already borrowed by the Company from the Bank(s) is likely to result in further increase of the amount of the Term Loan beyond the Principal amount of Rs. 400 crores.

In line with the regulatory changes and various directives issued by Reserve Bank of India from time to time, the Company has been advised to pass a Special Resolution under Section 62(3) of the Companies Act, 2013 and other applicable provisions of the

Companies Act, 2013 to enable Banks and Financial Institutions (hereinafter referred to as Lenders) to convert the outstanding loans to be availed from Lenders from time to time, at their option or in an event of default into fully paid up equity shares of the Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable law at the time of such conversion.

Allotment of equity shares as above requires prior approval of the Members by way of Special Resolution. The proposed resolution is an enabling resolution under the provisions of the Section 62(3) and other applicable provisions of the Companies Act, 2013 in view of the fact that under lending arrangements, the Lenders insist for inclusion of an option to convert the outstanding facility into Equity in the event of default or upon exercise of an option provided under the lending arrangements.

None of the Directors and Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested in the resolution except to the extent of their respective shareholdings in the Company, if any.

By Order of the Board  
For **Fomento Resorts and Hotels Limited**

Date: July 30, 2020  
Place: Vainguinim Beach - Goa

**Asmeeta Matondkar**  
Company Secretary

## ***Fomento Resorts and Hotels Limited***

### **Annexure:**

Details of directors seeking appointment/re-appointment pursuant to Regulation 36(3) of SEBI Listing Regulations 2015) are as provided below:

Name of the Director	Mr. Auduth Timblo	*Mr. Sujjain Suresh Talwar
Date of Birth	01/03/1949	22/03/1964
Date of appointment	20/07/1976	14/03/2020
Qualification	B.E., L.L.B.	B.Com, LLB
Relationship with Directors	Relative (Husband) of Mrs. Anju Timblo	None
Experience and Expertise	Mr. Auduth Timblo is an acclaimed Industrialist of repute and has immense experience in the hotel industry, mining and allied industries. Mr. Auduth Timblo has more than 40 years experience as an Industrialist.	Mr. Sujjain Talwar is a qualified Solicitor in India as well as in England and Wales. He is a co founder Partner of ELP, a law firm with over 200 lawyers spread across India, and is responsible mainly for the hospitality & Infrastructure practices of the firm. His experience spans over 20 years as a Corporate and Infrastructure Solicitor in India.
Brief Profile	Mr. Auduth Timblo holds a Bachelor's degree in Engineering from South Dakota School of Mines and Technology, USA and also a Bachelor's degree in Law from Mumbai university. He is an Industrialist and his experience spans over 40 years in the Hospitality, Mining and allied industries.	Mr. Sujjain Talwar holds a Bachelors degree in Commerce and also a Bachelors degree in law. He is also a qualified solicitor from The Bombay Incorporated Law Society and Law Society of England and Wales.  Prior to joining ELP, Mr. Sujjain has worked with law firms such as Crawford Bayley & Co., Mumbai as well as with Pinsent Masons, U.K.
Board membership of Companies as on 31st March, 2020 (excluding foreign & Section 25 companies)	1. Fomento Engineering and Constructions Pvt. Ltd.	Carborundum Universal Limited
	2. Sociedade de Fomento Industrial Pvt. Ltd.	Intergrated Mumbai Business Park (India) Private Limited
	3. Fomento Barges Pvt. Ltd.	Intergrated Chennai Business Park (India) Private Limited
	4. Shelvona Riverside Railway Terminal Limited	
	5. Mormugao Maritima Limited	
Chairman/Member of the Audit Committee as on 31st March, 2020 of companies in which he/she is Director	NIL	Carborundum Universal Limited - Member
Chairman/Member of the Shareholders/ Investors Grievance Committee as on 31st March, 2020 of companies in which he/she is Director	NIL	NIL

Chairman/Member of the Remuneration Committee as on 31st March, 2020 of other companies in which he/she is Director	NIL	NIL
Chairman/Member of the Corporate Social Responsibility Committee as on 31st March 2020	NIL	NIL
Chairman/Member of the Risk Management Committee as on 31st March, 2020	NIL	NIL
Shareholding in the Company	21,12,139 Shares	NIL

\*Mr. Sujjain Suresh Talwar has been appointed as an Independent Director of the Company with effect from March 14, 2020.

## ***MISSION***

- ❖ *To run a professionally managed organization and to ensure fair returns to the investors.*
- ❖ *To be an excellent “Value for Money Business & Leisure Resort” as a 5-Star in the domestic market and 4T and 5T in the international market.*
- ❖ *To position Cidade de Goa as an Individual Goan hospitality experience at International Standards.*
- ❖ *To diversify into other similar businesses.*
- ❖ *To invest in education and research in the Hospitality Industry.*
- ❖ *To be an environment friendly organization.*
- ❖ *To contribute to community welfare.*

## VALUES

➤ **Integrity**

Integrity will go beyond honesty and ethical practices of having the courage of one's convictions and standing up for one's beliefs.

➤ **Openness**

Openness is understood not just as sharing information, thoughts and feelings and being up-front with others but being a good listener, open to other people's views and feedback.

➤ **Respect for others**

God has made all human beings in his image and likeness. Everything we say or do must ensure respect for others and the protection of their dignity.

➤ **Fairness and Justice**

People in the Organization must believe that everyone will be measured with the same yardstick. The rules, regulations, policies and procedures will be applied uniformly. That no matter how firm we are, we will also be fair and just. That no action will be taken or response given unless we hear a person's viewpoint.

➤ **Self discipline**

We must conform to organizational expectations and requirements even though nobody is watching. Nothing ensures discipline like self-discipline. We must walk the talk.

➤ **Honesty**

We must be honest to ourselves and to the Organization by being committed performers and delivering what we have promised and what is expected of us.









**Fomento Resorts and Hotels Limited**

**CIN: L55101GA1971PLC000113  
Cidade de Goa, Vainguinim Beach,  
Goa – 403004, INDIA  
[www.frhl.in](http://www.frhl.in)**