

**46th Annual Report
2016-2017**



Goa in a resort

FOMENTO RESORTS AND HOTELS LIMITED

BOARD OF DIRECTORS

MRS. ANJU TIMBLO
MR. AUDUTH TIMBLO
MR. V. P. RAIKAR (Resigned w.e.f. May 28, 2016)
MR. SHARDUL THACKER
MR. JAMSHED DELVADAVALA
MR. RAGHUNANDAN MALUSTE
MR. REYAZ MAMA
MR. APOORVA MISRA

CHIEF FINANCIAL OFFICER

MR. M. A. HAJARE

COMPANY SECRETARY

MS. ASMEETA MATONDKAR

AUDITOR

H. K. APARANJI
Chartered Accountants

BANKERS

IDBI BANK
HDFC BANK
ICICI BANK

REGISTERED OFFICE

CIDADE DE GOA,
VAINGUINIM BEACH,
GOA - 403004

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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

Cidade de Goa – Goa’s premium 5-star deluxe resort is owned by Fomento Resorts and Hotels Limited. Situated in the land of sun, sea and surf, the property comprises of 207 rooms that showcase the unique Goan Portuguese architecture and ambience. The property is preferred by discerning travelers worldwide due to its proximity to the beach and its courteous staff that lay emphasis on providing warm Goan hospitality.

Cidade de Goa provides Goan experience and feel to its guests. It is situated on Vanguinim Beach and has a distinctive advantage with its proximity to the Capital Panaji and most of Goa’s frequently visited locations.

Cidade de Goa is also a holiday destination by itself as it has something for everyone. One can find a variety of restaurants namely **Alfama**, Chef’s Speciality restaurant that serves authentic Goan and Portuguese cuisine. Alfama has also been ranked amongst India’s 30 best restaurants by an independent customer survey conducted by a leading Media House.

Barbeque, the evening restaurant with a live kitchen. The Beachside Barbeque allows one an unique dining experience of grilled seafood, meats and vegetables.

Cafe Azul – Our poolside coffee shop provides the ambience of an Italian café with a choice of varied menu. One can savour global cuisines at our buffet restaurant **Laranja**. Other Food & Beverage options include **Doçaria** a charming tea and coffee lounge operating round the clock; **Taverna** – the lobby bar; **Bar Latino**, the pool side bar.

Visitors can de stress with the state of the art Health Club- **Clube Saúde** and **Pavitra** – The Ayurveda Spa. For the adventurous at heart, Cidade de Goa offers a vast array of options that include water sports, tennis, bird watching, beach games and an outdoor chess.

For the business traveler, Cidade de Goa offers a variety of conference and banqueting facilities along with its Business Centre.

Cidade de Goa can be summed up as “Goa in a resort”.

DIRECTORS' REPORT

To
The Members,

The Board of Directors of your Company take pleasure in presenting the Forty Sixth Annual Report on business and operations of your Company along with the Audited Financial Statements and Cash Flow Statement for the year ended March 31, 2017.

1. FINANCIAL RESULTS AND APPROPRIATION

(Rs. in lakhs)

Particulars	F. Y. 2016- 2017	F. Y. 2015 - 2016
Income	6,682.42	6,768.95
Operating Expenses	3,784.37	4,097.66
Gross Operating Profit(PBIDT)	2,898.05	26,71.29
Less:		
Interest and Financial Charges	35.46	34.65
Depreciation	269.74	320.62
Profit before Extra Ordinary and Exceptional items & Tax	2,592.85	2,316.02
Exceptional Items	-	-
Profit before tax(PBT)	2,592.85	2,316.02
Tax Expense	911.12	910.78
Profit/(Loss)after tax(PAT)	1,681.73	1,405.24
Add Surplus/(Deficit) brought forward from the previous year	5,541.68	5,101.41
Profit available for appropriation	7,223.41	6,506.65
Appropriation		
a)Transfer to General Reserve	168.17	140.52
b)Provision for Dividend on Preference shares	-	525.00
c)Provision for Dividend on Equity shares	-	160.00
d)Provision for Dividend Tax	-	139.45
e)Additional Depreciation on Fixed Assets	-	Nil
Balance carried to Balance Sheet	7,055.24	5,541.68
Total	7,223.41	6,506.65
Earnings per share before Exceptional Item (Basic and Diluted)	6.56	4.83
Earnings per share after Exceptional Item (Basic and Diluted)	6.56	4.83

2. OPERATIONS REVIEW:

The Directors are pleased to report that your Company achieved a total income of Rs. 6,682.42 lakhs compared to Rs. 6,768.95 lakhs in the previous year. Of the above income the Operational revenue was Rs. 6,048.23 lakhs as against Rs.5,853.28 lakhs of the previous year that is an increase of 3.33% on account of increase in the segment of weddings, conferences and groups and also due to monitoring of costs regularly, profitability of the Company improved. There was a

reduction in other income mainly due to the absence of lease rental income from the Casino which was closed down as on March 31, 2016. The Company earned a higher pre-tax profit of Rs. 2,592.85 lakhs for the year under review as against Rs. 2,316.02 lakhs (before exceptional items) in the previous year.

3. DIVIDEND:

The Board of Directors recommended the following dividend for approval by the members at the ensuing Annual General Meeting:

- (i) A dividend of Rs.7.5/- per share on 70,00,000 Cumulative, Non-Convertible, Redeemable Preference shares for the year ended 31st March 2017 (i.e. @7.5% on the paid up preference share capital) amounting to a total sum of Rs.5,25,00,000/- as per the terms of the issue of Preference shares subject to the approval of the members at the ensuing Annual General Meeting.
- (ii) Dividend of Re. 1/- per share on 1,60,00,000 Equity shares for the year ended 31st March, 2017 (i.e. @10% on the paid up equity capital) amounting to Rs. 1,60,00,000/-, subject to the approval of the members at the ensuing Annual General Meeting.

4. 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.

5. RESERVES:

The Board of Directors propose to carry an amount of Rs. 168.17 Lakhs to General Reserve.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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 well defined in the organisation as per defined audit plan. The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures. The Audit Committee of the Company monitors the adequacy of the internal control systems and procedures including adequacy of financial controls with reference to the Financial Statement.

The Internal Auditor of the Company continues to conduct periodic audit. The objective of the audit is to ensure that the prescribed systems and procedures are adequate and are consistently and correctly followed. The Internal Auditor monitors and evaluates the efficiency and adequacy of internal control systems in your Company, its compliance with Operating systems, Accounting procedures and policies of the Company. Based on the report of the Internal Auditor, each departmental head takes corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee by the Board.

The laid down internal financial controls are adequate and were operating effectively during the year.

The Internal Auditor submits his report to the Audit Committee on a quarterly basis.

In addition, during the year 2016-17, as required under Section 143 of the Act, the Statutory Auditors have evaluated and expressed an opinion on the Company's internal financial controls over financial reporting based on an audit. In their opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017.

During 2016-2017, the Audit Committee was satisfied with the adequacy of the internal control systems and procedures of the Company.

Although not mandatory the Company has a Risk Management Committee comprising of Directors and Executives/Officers of the Company. The Company's Risk Management Committee identifies potential risks associated with the Company's business and measures the Company's performance against each risk parameter. The Risk Management Committee keeps the Board informed of these risks and the measures taken by the Company to mitigate these risks.

7. STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Rules made thereunder the term of office of M/s. H.K Aparanji, Chartered Accountants (Firm Registration No. 000199S), as the Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s. Sudha Suresh Pai and Associates, Chartered Accountants (Firm Registration No. 118006W) as the Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 based on the recommendation of the Audit Committee.

Accordingly, the Board recommends the resolution in relation to appointment of Statutory Auditors, for the approval by the shareholders of the Company.

The Auditors Report for fiscal 2017 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the financial statements in 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 fiscal 2017 does not contain any qualification, reservations or adverse remark.

8. COMPOSITION OF AUDIT COMMITTEE:

The Composition of the Audit Committee is as under:

- Mr. Jamshed Delvadavala – Independent Director and Chairperson
- Mr. Shardul Thacker – Independent Director & Member
- Mr. Reyaz Mama – Independent Director & Member
- Mr. Raghunandan Maluste – Independent Director & Member

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

9. RELATED PARTY TRANSACTIONS:

There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel or other designated persons which may have conflict with the interest of the company at large. All Related Party Transactions are presented to the Audit Committee and the Board. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Related Party Transactions Policy as approved by the Board is uploaded on the company's website at the web link: http://www.cidadedegoa.com/upload/PDF/173_27_new_file_Related_Party_Transaction_Policy.pdf

The Company has entered into contracts/arrangements with related parties in the ordinary course of business and on arm's length basis. Particulars of contracts/arrangements made with related parties is annexed to Boards Report as "Annexure A".

10. DEPOSITS:

During the year, the Company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

11. 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. http://www.cidadedegoa.com/upload/PDF/179_27_new_file_CSR_Policy_of_Fomento.pdf

As a part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has contributed funds for distributing food items to the old age home and daily meals to the orphanage, providing employment enhancing vocational skills and by donating funds for construction of

an aided school building directly as part of the CSR initiative.

12. SUBSIDIARY COMPANIES:

The Company does not have any subsidiary.

13. 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 ('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 our website, www.cidadedegoa.com.

All the members of the Board, Senior Management and Designated Employees of the Company have affirmed compliance to the Code as on March 31, 2017.

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

14. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company is committed to developing a culture where it is safe for all employees to raise genuine concerns, if any and to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Vigil mechanism policy provides a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected frauds or violation of the code of conduct of policy and also provides safeguards against victimization.

The policy ensures strict confidentiality of all matters and disclosure of information, if required only to the extent or with those persons as required for the completion of the process of investigation.

A vigilance and ethics officer has been appointed to whom the complaints should be addressed, who reports to the Audit Committee. The policy also allows addressing the concerns directly to the Chairman of the Audit Committee / Managing Director & CEO / Chairman in exceptional cases. The Audit Committee recommends the disciplinary or corrective action it deems fit to the Board of Directors. The policy is available on the website of the Company and forms part of the Directors Report as "Annexure C".

The Vigil Mechanism Policy can be accessed on your Company's website at the link: http://www.cidadedegoa.com/upload/PDF/174_27_new_file_Whistle_Blower_Policy.pdf

15. PREVENTION OF INSIDER TRADING:

In accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 the Company has adopted a Insider Trading Policy which lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on our website (http://www.cidadedegoa.com/upload/PDF/180_27_new_file_Code_for_Regulating_Monitoring_Reporting_Trading_by_Insiders.pdf)

16. EXTRACT OF THE ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “Annexure D”

17. RISK MANAGEMENT:

Although not mandatory, your Company has constituted a Risk Management Committee as a measure of good governance. The details of the Committee and its terms of reference are set out in the Corporate Governance Report.

Pursuant to Section 134(3) (n) of the Companies Act, 2013, the Company has formulated and implemented the Risk Management Policy. 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.

18. 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 who were drawing remuneration more than Rs. 8.5 lakhs per month during whole or part of the year.

19. 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).

20. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby confirm that:

- a) In the preparation of the accounts for the year ended March 31, 2017, the applicable accounting standards have been followed and that there are no material departures;
- b) The Directors have selected such accounting policies 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 on March 31, 2017 and the profit of the Company for that period;

- c) The Directors have taken proper and sufficient care to the best of their knowledge and ability 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 Directors have prepared the Financial Statements for the financial year ended March 31, 2017 on a 'going concern' basis
- e) The Directors, have laid down internal financial controls for the company which are adequate and are operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Company has received declarations from all the Four Independent Directors confirming that they meet the criteria of independence as prescribed under the Act.

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 May 30, 2017, 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.

Your approval for his re-appointment as Director has been sought in the Notice convening the Annual General Meeting of your Company.

Mr. V. P. Raikar, Director stepped down from the Board with effect from May 28, 2016. The Board records its deep appreciation of the valuable services rendered by Late Mr. V. P. Raikar during his long association with the Company. Mr. V. P. Raikar passed away on September 30, 2016.

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

SEBI(Listing Obligations and Disclosure Requirements)

Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues, inflow of information, decision making, company's performance, company strategy etc.

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Board Diversity

The Company recognizes and embraces the importance of the diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website, http://www.cidadedegoa.com/upload/PDF_182_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.

22. 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 (http://www.cidadedegoa.com/upload/PDF/176_27_new_file_Nomination_and_Remuneration_Policy.pdf). There has been no change in the policy since the last fiscal year. We affirm that the remuneration paid to directors is as per the terms laid out in the nomination and remuneration policy of the Company.

23. 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.

24. CORPORATE GOVERNANCE:

A report on Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 forms part of the Annual Report. A Certificate from the Auditors of the Company, confirming compliance with the provisions of Corporate Governance, is attached to this Annual Report.

25. TECHNOLOGY ABSORPTION AND CONSERVATION OF ENERGY:

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) Use of recycled water for horticulture
- (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) Replacement of chillers to energy efficient chillers,
- (b) Replacement of fresh air units,
- (c) Replacement of fluorescent lamps by energy efficient LED lamps,
- (d) Installation of variable frequency drives for exhaust fans,
- (e) Replacement of variable frequency drives for exhaust fans,
- (f) Replacement of old fan coil units,
- (g) Replacement of motors with energy efficient motors,
- (h) Replacement of cooling towers fans for better efficiency.

26. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign exchange earnings and outgo is stated in Notes forming part of the Financial Statements.

27. 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, 2017, the Company has an Organizational strength of 212 employees.

28. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Board of Directors of the Company appointed Mr. Shivaram Bhat, Practising Company Secretary, 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, 2017, forms part of this Annual Report.

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

29. ANTI-SEXUAL HARASSMENT INITIATIVE:

Your Company has zero tolerance for sexual harassment at its work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with

the provisions of the sexual harassment at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at work place.

Further, the Company has an Internal Complaints Committee where employees can register their complaints against sexual harassment. This is supported by the Sexual Harassment Policy which ensures a free and fair enquiry process.

No complaints relating to sexual harassment were reported in the last financial year.

30. 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 your Company’s Operations.

31. 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 (http://www.cidadedegoa.com/corporate_information.php).

In addition to its Code of Conduct, 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.	http://www.cidadedegoa.com/upload/PDF/174_27_new_file_Whistle_Blower_Policy.pdf
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.	http://www.cidadedegoa.com/upload/PDF/176_27_new_file_Nomination_and_Remuneration_Policy.pdf
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.	http://www.cidadedegoa.com/upload/PDF/179_27_new_file_CSR_Policy_of_Fomento.pdf
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.	http://www.cidadedegoa.com/upload/PDF/177_27_new_file_Policy_on_Material_Subsiadiaries.pdf
Related Party Transaction Policy	The policy regulated all transactions between the Company and its related parties.	http://www.cidadedegoa.com/upload/PDF/173_27_new_file_Related_Party_Transcation_Policy.pdf

Name of the policy	Brief description	Web link
Insider Trading Policy	The policy provides the framework in dealing with securities of the Company.	http://www.cidadedegoa.com/upload/PDF/180_27_new_file_Code_for_Regulating_Monitoring_Reporting_Trading_by_Insiders.pdf
Policy for Determining Materiality for Disclosures	This policy applies to disclosures of Material events affecting the Company.	http://www.cidadedegoa.com/upload/PDF/175_27_new_file_Policy_for_determining_materiality_of_Information__Events.pdf
Document Retention and Archival Policy	The policy deals with the retention and archival of corporate records of Fomento Resorts and Hotels Limited.	http://www.cidadedegoa.com/upload/PDF/178_27_new_file_Archival_Policy.pdf

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

There were no material changes/commitments affecting the financial position of the Company during the period from the end of the financial year, to which this financial statement relate, and the date of this Report.

33. PARTICULARS OF LOANS/ADVANCES/INVESTMENTS OUTSTANDING DURING THE FINANCIAL YEAR:

Pursuant to Section 186 of the Companies Act, 2013 the Company does not have any loans/advances/investments outstanding during the year.

34. 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.

35. ACKNOWLEDGEMENTS:

Your Directors gratefully acknowledges the support and goodwill extended by the Government of Goa, Central Government, Other Regulatory Authorities, Company's Bankers, Vendors, Tour Operators, Travel Agents, Valued Guests and Esteemed Shareholders.

Place: Vainguinim Beach – Goa
Date: May 30, 2017

For and on behalf of the Board of Directors

Anju Timblo
Managing Director & CEO

Jamshed Delvadavala
Independent Director

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 or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017, which were not at arm's length basis.

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

The details of contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2017 are as follows:

Sr. No.	Name of Related Party	Nature of Relationship	Duration of contract	Salient terms	Amount in lakhs
	Nature of Contract / Sale of Services (Room, Food, beverages and other services)				
1	Sociedade de Fomento Industrial Pvt. Ltd.	<ul style="list-style-type: none"> • Mr. Auduth Timblo, Director and Non Executive Chairman is: <ul style="list-style-type: none"> (i) Chairman and Managing Director of Sociedade de Fomento Industrial Pvt. Ltd. (ii) holds more than 2% equity shares in SFI • Mrs. Anju Timblo, Managing Director & CEO of the Company is wife of Mr. Auduth Timblo. • Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo & Mrs. Anju Timblo. 	April 1, 2014 – March 31, 2017	N.A.	Rs. 190.38
2	Infrastructure Logistics Pvt. Ltd.	<ul style="list-style-type: none"> • 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 is holding a substantial shareholding in Infrastructure Logistics Pvt. Ltd • Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo & Mrs. Anju Timblo and brother of Mr. Ambar Timblo. 	April 1, 2014 – March 31, 2017	N.A.	Rs. 1.14
3	Fomento Resources Pvt. Ltd.	<ul style="list-style-type: none"> • Mr. Ambar Timblo, Managing Director of Fomento Resources Pvt. Ltd. is <ul style="list-style-type: none"> (i) a son of Mr. Auduth Timblo, Non Executive Chairman of the Company and Mrs. Anju Timblo, Managing Director & CEO of the Company. 	April 1, 2014 – March 31, 2017	N.A.	Rs. 1.45

Fomento Resorts and Hotels Limited

Sr. No.	Name of Related Party	Nature of Relationship	Duration of contract	Salient terms	Amount in lakhs
		<ul style="list-style-type: none"> (ii) Mr. Auduth Timblo and Mrs. Anju Timblo are also shareholders of Fomento Resources Private Limited. • Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo & Mrs. Anju Timblo and brother of Mr. Ambar Timblo. 			
	Sharing of expenses				
4	Sociedade de Fomento Industrial Pvt. Ltd.	<ul style="list-style-type: none"> • Mr. Auduth Timblo, Director and Non Executive Chairman is: <ul style="list-style-type: none"> (i) Chairman and Managing Director of Sociedade de Fomento Industrial Pvt. Ltd. (ii) holds more than 2% equity shares in SFI • Mrs. Anju Timblo, Managing Director & CEO of the Company is wife of Mr. Auduth Timblo. • Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo & Mrs. Anju Timblo. 	April 1, 2014 – March 31, 2017	Yearly at Actual	Rs. 16.07
5	Infrastructure Logistics Pvt. Ltd.	<ul style="list-style-type: none"> • 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 is holding a substantial shareholding in Infrastructure Logistics Pvt. Ltd • Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo & Mrs. Anju Timblo and brother of Mr. Ambar Timblo. 	April 1, 2014 – March 31, 2017	Yearly at Actual	Rs. 3.31
6	Fomento Resources Pvt. Ltd.	<ul style="list-style-type: none"> • Mr. Ambar Timblo, Managing Director of Fomento Resources Pvt. Ltd. is <ul style="list-style-type: none"> (i) a son of Mr. Auduth Timblo, Non Executive Chairman of the Company and Mrs. Anju Timblo, Managing Director & CEO of the Company. (ii) Mr. Auduth Timblo and Mrs. Anju Timblo are also shareholders of Fomento Resources Private Limited. • Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo & Mrs. Anju Timblo and brother of Mr. Ambar Timblo. 	April 1, 2014 – March 31, 2017	Yearly at Actual	Rs. 1.02

Sr. No.	Name of Related Party	Nature of Relationship	Duration of contract	Salient terms	Amount in lakhs
	Interest				
7	Fomento Resources Pvt. Ltd.	<ul style="list-style-type: none"> • Mr. Ambar Timblo, Managing Director of Fomento Resources Pvt. Ltd. is <ul style="list-style-type: none"> (i) a son of Mr. Auduth Timblo, Non Executive Chairman of the Company and Mrs. Anju Timblo, Managing Director & CEO of the Company. (ii) Mr. Auduth Timblo and Mrs. Anju Timblo are also shareholders of Fomento Resources Private Limited. • Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo & Mrs. Anju Timblo and brother of Mr. Ambar Timblo. 		N.A.	Rs. 539.00
	Renting of Premises				
8	Sociedade de Fomento Industrial Pvt. Ltd.	<ul style="list-style-type: none"> • Mr. Auduth Timblo, Director and Non Executive Chairman is: <ul style="list-style-type: none"> (i) Chairman and Managing Director of Sociedade de Fomento Industrial Pvt. Ltd. (ii) holds more than 2% equity shares in SFI • Mrs. Anju Timblo, Managing Director & CEO of the Company is wife of Mr. Auduth Timblo. • Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo & Mrs. Anju Timblo. 	3 years	10% increase annually	Rs. 39.06
9	Infrastructure Logistics Pvt. Ltd.	<ul style="list-style-type: none"> • 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 is holding a substantial shareholding in Infrastructure Logistics Pvt. Ltd • Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo & Mrs. Anju Timblo and brother of Mr. Ambar Timblo. 	3 years	10% increase annually	Rs. 11.38

Fomento Resorts and Hotels Limited

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

Details of material contracts or arrangement or transaction at arm's length basis:

The details of contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2017 are as follows

Sr. No.	Name of Related Party	Nature of Relationship	Duration of contract	Salient terms	Amount in lakhs
Inter Corporate Borrowings					
10	Fomento Resources Pvt. Ltd.	<ul style="list-style-type: none">• Mr. Ambar Timblo, Managing Director of Fomento Resources Pvt. Ltd. is<ul style="list-style-type: none">(i) a son of Mr. Auduth Timblo, Non Executive Chairman of the Company and Mrs. Anju Timblo, Managing Director & CEO of the Company.(ii) Mr. Auduth Timblo and Mrs. Anju Timblo are also shareholders of Fomento Resources Private Limited.• Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo & Mrs. Anju Timblo and brother of Mr. Ambar Timblo.	As mutually agreed between the parties	Simple interest @ 11%	Rs. 7,400.00

For and on behalf of the Board of Directors

Anju Timblo
Managing Director & CEO

Jamshed Delvadavala
Independent Director

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.	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 & destitute care, sustainability related initiatives and other welfare activities. The CSR activities at Fomento Resorts and Hotels Limited for F.Y 2016-17 were carried directly by the Company. The policy of the Company is available at http://http://www.cidadedegoa.com/upload/PDF/179_27_new_file_CSR_Policy_of_Fomento.pdf
2	The Composition of the CSR Committee	<ol style="list-style-type: none"> 1. Mr. Reyaz Mama 2. Mr. Shardul Thacker 3. Mr. Jamshed Delvadavala 4. Mrs. Anju Timblo
3	Average Net profit of the Company for last three financial years (Amount in lakhs)	Rs. 1,764.75 lakhs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above) (Amount in lakhs)	Rs. 35.30 lakhs
5	Details of CSR spent during the financial year <ol style="list-style-type: none"> 1. Total amount spent for the F.Y. 2. Amount unspent, if any; 3. Manner in which the amount spent during the financial year is detailed below: 	Rs. 35.38 lakhs NIL

1	2	3		4	5	6	7	8
S. No.	CSR project or activity Identified	Sector in which the project is covered	Nature of programme	Projects or Programs (1) Local area or other (2)Specify the state and district where programs projects or 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
1.	Livelihood	Employment enhancing vocational skills	Support towards skill development and certification	In the state of Goa	Rs. 22,000/-	Rs. 22,470/-		Direct
2.	Education	Donation to construct a school building for promoting education	Constructing and developing a school building	In the state of Goa	34,08,000/-	34,14,000/-		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	Nature of programme	Projects or Programs (1) Local area or other (2)Specify the state and district where programs projects or 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
3.	Welfare	Welfare activities undertaken based on local needs and requests which includes food, supporting old age homes	Providing food, groceries, supporting old age homes and orphanages in celebrating key events.	In the state of Goa	1,00,000/-	1,01,101/-		Direct
Total					35,30,000	35,37,571		

Livelihood:

The Company spent an amount of Rs. 22,470/- on its CSR programme that entails training and certifying less privileged youth in hospitality.

Education:

The Company contributed an amount of Rs. 34,14,000/- to Fomento Educational and Charitable Society, a Charitable Society for building and developing an aided school at Porvorim Goa for the purpose of providing education.

Welfare:

The Company regularly provides grocery and food to old age home and an orphanage within the local limits of the town in which the Company's hotel is operating. The Company had also organized a cleaning drive on the occasion of World Tourism day in the vicinity of the resort where it is operating. The Company spent a total amount of Rs. 1,01,101/- on welfare activities during the financial year 2016-17.

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

Anju Timblo
Managing Director & CEO

Reyaz Mama
Chairman – CSR Committee

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:
 - a. Abuse of authority
 - b. Breach of contract
 - c. Negligence causing substantial and specific danger to public health and safety
 - d. Manipulation of company data/records
 - e. Financial irregularities, including fraud, or suspected fraud
 - f. Criminal offence
 - g. Pilferation of confidential/propriety information
 - h. Deliberate violation of law/regulation
 - i. Wastage/misappropriation of company funds/assets
 - j. 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.

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 of the Company 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. K. Sainath Shetty

Designation: Manager- HR, Security & Administration-Corporate

Address: Cidade de Goa, Vainguinim beach, Goa - 403004

Email- whistleblower@cidadedegoa.com

- 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.

Annexure D

Form No. MGT - 9

Extract of Annual Return

as on the financial year ended on 31st March, 2017

[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	30th March, 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 E/2, Ansa Industrial Estate, Saki- Vihar Road, Sakinaka – Andheri (E), Mumbai - 400072 Phone No. 022-40430200 Fax No. 022-28475207 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.	Sale of Room Nights Food & Beverage and Allied Services	0708	100

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)

i. 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	
A. Promoters									
(1) Indian									
a. Individual/HUF	1,19,99,768	Nil	1,19,99,768	Nil	1,19,99,768	Nil	1,19,99,768	75%	Nil
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
Sub-Total- A-(1)	1,19,99,768	Nil	1,19,99,768	Nil	1,19,99,768	Nil	1,19,99,768	75%	Nil
(2) Foreign									
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
Sub Total –A(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Share Holding of Promoters (A)=(A)(1)+(A) (2)	1,19,99,768	Nil	1,19,99,768	Nil	1,19,99,768	Nil	1,19,99,768	75%	Nil
B. Public Shareholding									
1. Institution	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a. Mutual Funds	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	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. Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total-B (1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non- Institution									
a. Body Corp.	1,527	15,700	17,227	0.11	23,063	14,850	37,913	0.24	0.13
b. Individual									
i. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	33,18,356	Nil	33,18,356	20.74	33,04,537	Nil	33,04,537	20.65	(0.09)
ii. Individual shareholders holding nominal share capital upto Rs. 1 Lakh	1,25,831	3,35,477	4,61,308	2.88	1,32,818	3,27,326	4,60,144	2.88	0
a. Qualified Foreign Investor									
b. Any others (specify)									
i. Trusts	0	0	0	0.00	0	0	0	0	0
ii. Clearing Members	1,873	0	1,873	0.01	3,245	Nil	3,245	0.02	0.01
iii. Directors / Relatives of Directors	0	6,700	6,700	0.04	0	0	0	0	0

iv. Employee	0	0	0	0.00	155	Nil	155	0.00	0.00
v. Non Resident Indians (NRI)	6,219	1,83,323	1,89,542	1.18	5,045	1,79,323	1,84,368	1.15	-(0.03)
vi. Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
vii. Hindu Undivided Families	4,976	250	5,226	0.03	9,620	250	9,870	0.06	0.03
viii. Unclaimed Suspense Account	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B (2)	34,58,782	5,41,450	40,00,232	25.00	34,78,483	5,21,749	40,00,232	25.00	Nil
Total Public Shareholding (B) = (b)(1) + (B) (2)	34,58,782	5,41,450	40,00,232	25.00	34,78,483	5,21,749	40,00,232	25.00	Nil
Total (A) = (B)	1,54,58,550	5,41,450	1,60,00,000	100.00	1,54,78,251	5,21,749	1,60,00,000	100	Nil
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	0	0	0	0	0	0	0	0	Nil
Sub Total (C)(1): (C)=(C)(1)	0	0	0	0.00	0	0	0	0.00	Nil
Total (A) + (B):	1,54,58,550	5,41,450	16,00,00,000	100.00	1,54,78,251	5,21,749	1,60,00,000	100	Nil
Grand Total (A+B+C)	1,54,58,550	5,41,450	16,00,00,000	100.00	1,54,78,251	5,21,749	1,60,00,000	100	Nil

ii Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	

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

There is no change in the shareholding of the Promoters.

iv. Shareholding Pattern of top ten shareholders (other than Directors and Promoters)

Sr. No.	Name of the Shareholders	Date	Changes in the shareholdings(-) denotes transfer	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	SIDDHARTH SURESHAJMERA	01/04/2016		8,17,100	5.11	8,17,100	5.11
		31/03/2017		8,17,100	5.11		
2	SURESHJAYANTILAL AJMERA	01/04/2016		8,17,100	5.11	8,17,100	5.11
		31/03/2017		8,17,100	5.11		
3	SURESHJAYANTILAL AJMERA	01/04/2016		8,17,200	5.11	8,17,200	5.11
		31/03/2017		8,17,200	5.11		

Fomento Resorts and Hotels Limited

Sr. No.	Name of the Shareholders	Date	Changes in the share-holdings(-) denotes transfer	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.	DHANESH SURESH AJMERA	01/04/2016		8,17,100	5.11	817,100	5.11
		31/03/2017		8,17,100	5.11		
5.	AURORA ABREU	01/04/2016		36,344	0.23	36,344	0.23
		11/11/2016	-1000			35,344	0.22
		25/11/2016	-1			35,343	0.22
		09/12/2016	-12			35,331	0.22
		30/12/2016	-100			35,231	0.22
		13/01/2017	-9414			25,817	0.16
		20/01/2017	-8047			17,770	0.11
		10/02/2017	-1915			15,855	0.10
		17/02/2017	-5375			10,480	0.07
		31/03/2017			10,480	0.07	
6.	SUNDEEP ARJUN KARNA	01/04/2016		13,612	0.09	13,612	0.09
		22/04/2016	100			13,712	0.09
		29/04/2016	71			13,783	0.09
		13/05/2016	114			13,897	0.09
		27/05/2016	90			13,987	0.09
		08/07/2016	181			14,168	0.09
		12/08/2016	250			14,418	0.09
		19/08/2016	101			14,519	0.09
		25/08/2016	200			14,719	0.09
		26/08/2016	125			14,844	0.09
		02/09/2016	688			15,532	0.10
		07/10/2016	1			15,533	0.10
		18/11/2016	-14			15,519	0.10
		25/11/2016	-90			15,429	0.10
		30/12/2016	-1			15,428	0.10
		03/02/2017	-21			15,407	0.10
10/02/2017	-250			15,157	0.09		
31/03/2017			15,157	0.09			
7.	EUREKA STOCK AND SHARE BROKING SERVICES LTD	01/04/2016		0	0	0	0.00
		24/03/2017	10500			10,500	0.07
		31/03/2017			10,500	0.07	
8.	SANJEEV D. SHAH	01/04/2016		9,850	0.06	9,850	0.06
		31/03/2017		9,850	0.06		

Sr. No.	Name of the Shareholders	Date	Changes in the shareholdings(-) denotes transfer	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
9.	POONAM SUNDEEP KARNA	01/04/2016		6,181	0.04	6,181	0.04
		08/04/2016	14			6,195	0.04
		22/04/2016	30			6,225	0.04
		29/04/2016	250			6,475	0.04
		13/05/2016	808			7,283	0.05
		20/05/2016	75			7,358	0.05
		03/06/2017	160			7,518	0.05
		29/07/2016	-1			7,517	0.05
		12/08/2016	1042			8,559	0.05
		19/08/2016	821			9,380	0.06
		02/09/2016	98			9,478	0.06
		23/09/2016	10			9,488	0.06
		09/12/2016	-1			9,487	0.06
		30/12/2016	-1030			8,457	0.05
		03/03/2017	-100			8,357	0.05
	10/03/2017	-1050			7,307	0.05	
	31/03/2017		7,307	0.05			
10.	V. P. RAIKAR #	01/04/2016		6,700	0.04	6,700	0.04
		31/03/2017		6,700	0.04		
11.	DILEEP VERLEKAR	01/04/2016		6,700	0.04	6,700	0.04
		31/03/2017		6,700	0.04		
12.	JAYESH BHUPENDRA SHROFF	01/04/2016		0	0		
		17/03/2017		6,635		6,635	0.04
		31/03/2017		6,635	0.04		

Mr. V. P. Raikar, was a Director of the Company as on April 1, 2016 and has resigned as a Director of the Company w.e.f. May 28, 2016. Therefore Mr. V. P. Raikar's name is included in the category of public shareholders subsequent to his resignation from the Office as a Director of the Company.

(e) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year- 1st April, 2016		Shareholding at the end of the year - 31st March, 2017	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Mr. V. P. Raikar #	6,700	0.04	6,700	0.04

Mr. V. P. Raikar, was a Director of the Company as on April 1, 2016 and has resigned as a Director of the Company w.e.f. May 28, 2016.

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

Particulars	Secured Loans Excluding Deposits	Unsecured Loans Amount in Rs.	Deposits	Total Indebtedness Amount in Rs.
Indebtedness at the beginning of the financial year 01.04.2016				
1) Principal Amount	Nil	28,39,44,069	Nil	28,39,44,069
2) Interest due but not paid	Nil	4,39,58,556	Nil	4,39,58,556
3) Interest accrued but not due	Nil	Nil	Nil	Nil
Total of (1+2+3)	Nil	32,79,02,625	Nil	32,79,02,625
Change in Indebtedness during the financial year				
+ Addition	Nil	55,00,00,000	Nil	55,00,00,000
- Reduction	Nil	--	Nil	--
Net Change	Nil	55,00,00,000	Nil	55,00,00,000
Indebtedness at the end of the financial year - 31.03.2017				
1) Principal Amount	Nil	83,39,44,069	Nil	83,39,44,069
2) Interest due but not paid	Nil	9,24,68,527	Nil	9,24,68,527
3) Interest accrued but not due	Nil	--	Nil	--
Total of (1 + 2+ 3)	Nil	92,64,12,596	Nil	92,64,12,596

VI. 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 in Rs.
		Mrs. Anju Timblo	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	36,00,000	36,00,000
	(b) Value of perquisites U/s 17(2) Income Tax Act, 1961	Nil	
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	Nil	
2.	Stock Option	Nil	
3.	Sweat Equity	Nil	
4.	Commission		
	- As % of Profit		
	- Others, specify	Nil	
5.	Others, please specify Provident Fund & Other Funds	4,32,000	4,32,000
	Performance Bonus	Nil	Nil
	Total (A)	40,32,000	40,32,000
	Ceiling as per the Act	5% of net profit of the Company	

B. Remuneration to other directors (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount in Rs.
		Auduth Timblo	V.P. Raikar	Jamshed Delvadavala	Shardul Thacker	Raghunandan Maluste	Reyaz Mama	Apoorva Misra	
1	Independent Directors								
	Fees for attending board/ committee meetings	--	Nil	1,10,000	45,000	60,000	95,000	--	3,10,000/-
	Commission	--	Nil	Nil	Nil	Nil	Nil	--	Nil
	Others, please specify	--	Nil	Nil	Nil	Nil	Nil	--	Nil
	Total (1)	--	Nil	1,10,000	45,000	60,000	95,000	--	3,10,000/-
2	Other Non – Executive Directors								
	Fees for attending board/ committee meetings	50,000	--	--	--	--	--	50,000	1,00,000/-
	Commission	Nil	--	--	--	--	--	Nil	Nil
	Others, please specify	Nil	--	--	--	--	--	Nil	Nil
	Total (2)	50,000	--	--	--	--	--	50,000	1,00,000/-
	Total (B) = (1 + 2)	50,000	Nil	1,10,000	45,000	60,000	95,000	50,000	4,10,000/-
	Total Managerial Remuneration								
	Overall Ceiling as per the Act	1% of net profits of the Company							

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount in Rs.
		CFO	Company Secretary	
1.	Gross Salary	17,00,004	14,38,800	31,38,804
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	Nil	Nil	Nil
	(b) Value of perquisites U/s 17(2) Income Tax Act, 1961 Nil	21,600	Nil	21,600
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)	17,36,604	14,38,800	31,75,404

VII. 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

Anju Timblo
Managing Director & CEO

Jamshed Delvadavala
Independent Director

Place: Vainguinim Beach – Goa
Date: May 30, 2017

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 2016-17 as follows:

Sr. No.	Name of the Director	Ratio of remuneration of director to the Median remuneration
1	Mrs. Anju Timblo	20:01
2	Mr. Auduth Timblo	N.A.
3	Mr. V. P. Raikar	N.A.
4	Mr. Jamshed Delvadavala	N.A.
5	Mr. Shardul Thacker	N.A.
6	Mr. Reyaz Mama	N.A.
7	Mr. Raghunandan Maluste	N.A.
8	Mr. Apoorva Misra	N.A.

- 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 2016-17 as follows:

Sr. No.	Name of the Director/KMP	Increase
		%
1	Mrs. Anju Timblo\$	Nil
2	Mr. Auduth Timblo	NA
3	Mr. V. P. Raikar#	NA
4	Mr. Jamshed Delvadavala	NA
5	Mr. Shardul Thacker	NA
6	Mr. Reyaz Mama	NA
7	Mr. Raghunandan Maluste	NA
8	Mr. Apoorva Misra	NA
9	Ms. Asmeeta Matondkar	10.02

\$ There has been no increase in the remuneration paid to the Managing Director & CEO for the financial year 2016-17.

Mr. V. P. Raikar has resigned as a Director of the Company w.e.f. May 28, 2016.

c)	The percentage increase in the median remuneration of employees (excluding resigned and employed part of the year) in financial year 2016-17	(14)%
d)	The number of permanent employees on the rolls of the Company as on March 31, 2017	212 Employees
e)	The explanation on the relationship between average increase in remuneration and performance of the Company.	<p>The decrease in average remuneration of all employees in the financial year 2016-17 as compared to the financial year 2015-16 was (12.30%) (% excludes employees resigned and employed part of the year).</p> <p>The total turnover of the Company decreased by (1.28 %) & profit before exceptional and extraordinary item and tax increased by 11.95%</p>

f)	Comparison of the remuneration of the Key managerial Personnel against the performance of	The profit before exceptional and extraordinary item and tax increased by 11.95% in F.Y. 2016-17, compared to 2015-16. The remuneration of KMPs is 1.07% of the total revenue.
----	---	--

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 Top Ten employees of the Company in terms of Remuneration drawn:

Sr. No.	Name	Designation
1	Neeta Brid	General Manager
2	Sanjay Thakur	G. M. Projects
3	Satish Agrahar	Financial Controller
4	Vineet Soni	Resident Manager
5	K. Sainath Shetty	Manager-HR,Sec & Adm.Corp
6	Suraj Latkar	Chief Engineer
7	Sunit Sharma	Executive Chef
8	Velina Cabral	Sales Manager
9	S. Rajasekar	Executive Housekeeper
10	Ajay Nayak	Sales Manager

(B) Persons employed for the full year ended March 31, 2017 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 Yrs.	Date of commencement of Employment	Age in Yrs.	Last Employer & Designation Held
Not Applicable								

There was no Person employed for the full year ended March 31,2017 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 31,2017 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 Yrs.	Date of commencement of Employment	Age in Yrs.	Last Employer & Designation Held
Not Applicable								

There was no Person employed for the part of the year ended March 31,2017 who was in receipt of the remuneration which in the aggregate was not less than Rs. 8,50,000/- p.m.

Annexure F

1. Preamble

- a) 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 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 executive directors, including the functional heads.
- b) The policy would be reviewed every year by the Nomination and Remuneration Committee of the Board of Directors.

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 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
- 4.2 **The Committee shall be responsible for**
 - 4.2.1 Selection of Board of Directors and Managing Director & CEO of the Company 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;
 - 4.2.3 Formulate the criteria for determining qualifications, positive attributes and independence of a director and terms of remuneration for the Directors.
 - 4.2.4 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.

- 4.2.5 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.

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 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.

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 associate 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 its Committees. The sitting fees paid to the Non-executive Directors for attending meetings of Board of Directors and Audit Committee of Board of Directors is Rs. 10,000/- per meeting and Rs.10,000 per meeting respectively.

However, sitting fees for attending other Committee meetings i.e. Nomination and Remuneration Committee, Shareholders Grievance 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):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/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 MD/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 and CEO 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 & CEO, 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 & CEO

At the time of appointment and re-appointment, the Managing Director & CEO 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 & CEO within overall limits prescribed under the Companies Act, 2013.

The remuneration of the Managing Director & CEO comprises only of fixed component. The fixed Component comprises salary and contribution to Provident Fund.

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 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 April 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.

8. Independent Director

- 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 Exchanges 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 - <http://cidadedegoa.com/images/FamilirisationProgramme-for-IndependentDirectors.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.

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 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 shall be recommended to the Board of Directors for its approval.
- 12.2 This policy shall be hosted on the Company's website.
- 12.3 The policy shall form part of Director'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.

Incase 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.

Annexure G

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

*[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,
Vainguinim 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 31st March, 2017 (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 31st March, 2017 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, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- 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; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period).

vi. The following laws and Regulations applicable specifically to the Company (As per the representations made by the Company) viz

- a) Food Safety and Standards Act, 2006 and Rules made thereunder
- b) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder
- c) The Water(Prevention and Control of Pollution) Act, 1974 and Rules made there under
- d) The Foreign Exchange Management Act (FEMA), 1999

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India; and
- ii. The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has 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.

I further report that during the audit period the Company has-

- approved under Section 180 of the Act borrowing upto Rs. 750 Crores.

Place : Panaji, Goa

Date : May 30, 2017

Shivaram Bhat
Practising Company Secretary
ACS No. 10454 & CP No. 7853

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 : May 30, 2017

Shivaram Bhat
Practising Company Secretary
ACS No. 10454 & CP No. 7853

MANAGEMENT DISCUSSION AND ANALYSIS

1. Economic Overview:

Global growth was projected at 3.4 percent in 2016 and 3.6 percent in 2017.

Advanced Economies

Growth in advanced economies is projected to rise by 0.2 percentage point in 2016 to 2.1 percent, and hold steady in 2017. Overall activity remains resilient in the United States, supported by still-easy financial conditions and strengthening housing and labor markets, but with dollar strength weighing on manufacturing activity and lower oil prices curtailing investment in mining structures and equipment. In the euro area, stronger private consumption supported by lower oil prices and easy financial conditions is outweighing a weakening in net exports. Growth in Japan is also expected to firm in 2016, on the back of fiscal support, lower oil prices, accommodative financial conditions, and rising incomes.

Emerging Market and Developing Economies

Growth in emerging market and developing economies is projected to increase from 4 percent in 2015—the lowest since the 2008–09 financial crisis—to 4.3 and 4.7 percent in 2016 and 2017, respectively.

1. Growth in China is expected to slow to 6.3 percent in 2016 and 6.0 percent in 2017, primarily reflecting weaker investment growth as the economy continues to rebalance. India and the rest of emerging Asia are generally projected to continue growing at a robust pace, although with some countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness.
2. Aggregate GDP in Latin America and the Caribbean is now projected to contract in 2016 as well, albeit at a smaller rate than in 2015, despite positive growth in most countries in the region. This reflects the recession in Brazil and other countries in economic distress.
3. Higher growth is projected for the Middle East, but lower oil prices, and in some cases geopolitical tensions and domestic strife, continue to weigh on the outlook.
4. Emerging Europe is projected to continue growing at a broadly steady pace, albeit with some slowing in 2016. Russia, which continues to adjust to low oil prices and Western sanctions, is expected to remain in recession in 2016. Other economies of the Commonwealth of Independent States are caught in the slipstream of Russia's recession and geopolitical tensions, and in some cases affected by domestic structural weaknesses and low oil prices; they are projected to expand only modestly in 2016 but gather speed in 2017.
5. Most countries in sub-Saharan Africa will see a gradual pickup in growth, but with lower commodity prices, to rates that are lower than those seen over the past decade. This

mainly reflects the continued adjustment to lower commodity prices and higher borrowing costs, which are weighing heavily on some of the region's largest economies (Angola, Nigeria, and South Africa) as well as a number of smaller commodity exporters.

2. Hospitality & Tourism Industry Overview:

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country.

India has moved up 13 positions to 52nd rank from 65th in Tourism & Travel competitive index@.

Investments

The tourism and hospitality sector is among the top 10 sectors in India to attract the highest Foreign Direct Investment (FDI). During the period April 2000–December 2016, the hotel and tourism sector attracted around US\$ 9.93 billion of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP).

With the rise in the number of global tourists and realizing India's potential, many companies have invested in the tourism and hospitality sector. Some of the recent investments in this sector are as follows:

- MakeMyTrip has agreed to buy Ibibo Group's India travel business at a deal value of US\$ 720 million, thus creating India's largest online travel firm with a value of US\$ 1.8 billion, as estimated by Morgan Stanley.
- Yellow Tie Hospitality Management LLP, specialising in franchise management of food and beverages firms, plans to invest up to US\$ 15-20 million in five restaurant ventures of celebrity chef Mr. Harpal Singh Sokhi, with the aim to have 250 outlets under these brands by 2020.
- Chaudhary Group (CG) Hotels & Resorts aims to have 200 hotels operational by 2020.
- Dine Equity Incorporation has signed a franchisee partnership deal with food services firm Kwal's Group, in order to enter the Indian markets with their breakfast chain IHOP.
- As per industry experts, mid-hotel segment in India is expected to receive investments of Rs 6,600 crore (US\$ 990 million) excluding land over next five years, with major hotel chains like Marriott, Carlson Rezidor and ITC planning to set up upscale, budget hotels in state capitals and tier-II cities.
- Hyatt Hotels Corporation has outlined plans of bringing its Hyatt Centric brand to India soon along with three new hotels in Kochi, Rameswaram and Hyderabad by 2017.

- Vatika Hotels Pvt. Ltd has raised Rs 495 crore (US\$ 74.25 million) in debt from Axis Bank Ltd to expand its hotels and quick-service restaurant chain besides its business centres.
- Accor Hotels, a French multinational hotel group, plans to expand its footprint in Guwahati and Kolkata by adding more 550 rooms to its portfolio of hotels in the next three years.
- The first Incredible India Tourism Investment Summit 2016, which was organised from September 21-23, 2016, witnessed signing of 86 Memoranda of Understanding (MoUs) worth around Rs 15,000 crore (US\$ 2.24 billion), for the development of tourism and hospitality projects.
- Steigen berger Hotels, a German luxury hotel company, and MBD Group, a Delhi-based firm which runs 5-star Radisson Hotels in Noida and Ludhiana, have formed a joint venture to build five luxury hotels and manage another 15 luxury hotels in India by 2030.
- Keys Hotels, a premium brand of Berggruen Hotels, plans to launch three new hotels in India at Vishakhapatnam, Calicut and Jaipur, and further add up to 10 Keys Hotels in the country by the end of FY 2017.
- Stayzilla, a budget hotels and home stays aggregator, has raised over US\$ 13 million in Series C round of funding from Matrix Partners and Nexus Ventures, which will be used to improve product, technology and marketing initiatives for its alternate stay business.
- Ctrip.com, China's largest travel portal, has bought a stake in India's largest travel portal MakeMyTrip for US\$ 180 million via convertible bonds, which allows C trip to increase its share in MakeMyTrip up to 26.6 per cent.
- Global investment banking major Goldman Sachs has invested Rs 441 crore (US\$ 65.76 million) to acquire an equity stake in Gurgaon-based hotel development and investment start-up SAMHI Hotels which will help fund SAMHI's expansion plans.
- Thai firm Onyx Hospitality and Kingsbridge India hotel asset management firm have set up a joint venture (JV) to open seven hotels in the country by 2018 for which the JV will raise US\$ 100 million.
- Goldman Sachs, New-York based multinational investment banking fund, has invested Rs 255 crore (US\$ 38.02 million) in Vatika Hotels.

3. Local Market Overview:

Goa is one of the fastest growing states in the country. The state's Gross State Domestic Product (GSDP) growth rate was at about 11.39 per cent between 2004-05 and 2015-16. The state's per capita Net State Domestic Product (NSDP) was US\$ 4,765.7, one of the highest in India, in 2015-16. Goa's economic growth is driven by the strong performance of industrial sectors such as mining, tourism and pharmaceuticals.

Goa is the second state in India to achieve a 100 per cent automatic telephone system with a solid network of telephone

exchanges. As of June 2016, Goa had a total installed power generation capacity of 412.45 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. 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 of Industrial Policy & Promotion (DIPP), FDI inflows into the state of Goa, during April 2000 to March 2016, totaled to US\$ 841 million.

4. Future Expansion Plans:

Cidade de Goa

The civil and construction works are in progress to set up a 5 star convention hotel consisting of 300 rooms at the plateau of Vainguinim Beach, Goa.

Investment in hotel at Aarvli

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

5. Financials: The turnover and the financial performance of your Company is as below:

Revenues:

Total income has decreased by 1.28% to Rs.6,682.42 lakhs from Rs. 6,768.95 lakhs in the previous year. The room revenues rose by 7.48 % to Rs. 3,900.78 lakhs from Rs. 3,629.20 lakhs in the previous year. The Food & beverage income decreased by 3.53% to Rs. 1,940.88 lakhs from Rs. 2,011.87 lakhs in the previous year, mainly due to the impact of the casino closure.

Though the operational income increased by Rs. 1.95 crores (i.e. 3.33%), overall income of the company reduced by Rs.0.86 crores, mainly due to the loss of casino rental income.

Expenditure:

The total Operating expenditure reduced by 7.65 % to Rs. 3,784.37 lakhs from Rs.4,097.66 lakhs as against the previous year.

Earnings before Interest, Depreciation, Tax and Amortisation (EBIDTA):

EBIDTA registered an increase of 8.49% to Rs.2,898.05 lakhs from Rs.2,671.29 lakhs as against the previous year.

Profit before Tax (before exceptional items):

The PBT increased by 11.95% to Rs. 2,592.85 lakhs from Rs.2,316.02 lakhs in the previous year.

Profit after Tax (before exceptional items):

The PAT increased by Rs.19.68% to Rs.1,681.73 lakhs from Rs.1,405.24 lakhs in the previous year.

6. Competition from International Hotel Chains:

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 chains of hotel which is 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.

6. 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 Accounting Standard specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, 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 unit 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.

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
- 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
- Labor problems are obviated by negotiations and conciliation
- Activities relating to the Welfare of employees are undertaken
- 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.

RISK TOLERANCE 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 Assessment Committee

The Risk Assessment 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.

7. Internal Controls:

Your Company's Internal Auditors carry out 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 facing 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 feedbacks are taken up seriously and responded to within 24 hours to ensure maximum guest delight and repeat business.

8. Human Resources:

As on March 31, 2017 the Company had 212 permanent employees. We believe that our employees are our most important assets. Therefore the competency development of our employees continues to be a key area of strategy for us through our Training and Development cell. Continuous efforts are made to train/ up skill the employees through various training programmes (internal as well as external) and employees are provided with regular feedback through a transparent and open feedback system on regular basis for improvement & development. Career development and growth opportunities are provided to the existing employees through a structured and well designed development programme.

We have a performance-linked compensation program that links compensation to individual performance as well as our Company's performance. Employees are encouraged to take up additional responsibilities through multitasking.

Recognition & Communication:

Your Company has inculcated the best practices of Human Resources to weigh its Human resources capital. An assessment of every employee is done by his/her departmental head and also an employee satisfaction survey is conducted periodically. Acts of excellence are recognized by displaying the names of the employees on the notice boards. Recognition system is being followed to motivate the associates who excel in their service standards and reward them accordingly. Company conducts various employee engagement activities throughout the year to motivate the employees and create a culture of trust and highest standards of service .

9. Outlook:

The Indian hotel industry witnessed a huge influx of room inventory in the form of new hotels of existing local brands as well as entry of International brands. This will put pressure on the Average Room Rates and thus profitability. It will be an ongoing task to keep net contributions positive.

In the current challenging economic environment, leading hospitality companies are leveraging social media and business analytic platforms to gain insight into customer preferences and drivers of customer loyalty.

10. Guest Experience:

Your Company's hotel 'Cidade de Goa' continues to offer highest consistency in quality of service and style and provide warm hospitality and crisp & courteous service.

Guest feedback is taken on regular basis and the hotel always tries to better its service standards. Introducing new services while improving the ones existing and product upgrades lead your company's hotel to offer their guests a truly memorable experience.

11. Sales & Marketing Initiatives:

The Hotel constantly offers various holiday packages to groups and families to ensure that Cidade de Goa gets its fair market share. The packages are structured in a way to attract maximum guests. It is pertinent to note that domestic segment still remains the core for Goa tourism industry.

The wedding and MICE segment has also been growing substantially. The hotel has tailor made packages on offer to tap this market segment and also attractive offers online.

12. Awards and Accolades:

In fiscal 2017, the following awards were conferred:

- * Trinity's Goan Hospitality Award for Best 5 Star Music & Entertainment (North) 2016
- * Trinity's Goan Hospitality Award for Best 5 Star Innovative Hotel Design (North) 2016
- * Trinity's Goan Hospitality Award for 5 Star with Great Spirit Mixes 2016
- * Trinity's Goan Hospitality Award for Best 5 Star Conference Hotel (North) 2016
- * Trip Advisor, Certificate of Excellence 2016 - Cidade de Goa
- * Trip Advisor, Certificate of Excellence 2016 – Café Azul
- * Trip Advisor, Certificate of Excellence 2016 - Laranja

13. Safety, Health And Environment:

Your Company is giving utmost importance to safety, health and environment related issues. Safety is now the integral part of the culture at the work place. We continue to improve our safety standards to maintain high awareness levels. The employees are

continuously educated and trained to improve their awareness and skills. Training cell is entrusted with the responsibility.

All statutory requirements are being complied with. Periodic safety audits are conducted to identify and eliminate possible potential causes of accidents. Medical checkup for the employees is being conducted at the pre-employment stage and thereafter periodical check-up is undertaken during the continuance of the employment period. The company also adheres to various food safety standards and regular testing of its food products in its in-house well equipped laboratory.

Requirements of environmental acts and regulations are complied with. Monitoring and analysis of water is undertaken periodically to verify whether levels of environmental parameters are well within the specific limit.

14. 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

Anju Timblo
Managing Director & CEO

Jamshed Delvadavala
Independent Director

Place: Vainguinim Beach – Goa

Date: May 30, 2017

CORPORATE GOVERNANCE REPORT

1. Company’s philosophy on Corporate Governance

The Company’s philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance even before they were mandated by legislation. Transparency, integrity, professionalism and accountability based values form the basis of the Company’s philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder’s expectations.

Our corporate governance framework also ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

The Company’s governance philosophy is based on the following principles:

- a. Corporate governance standards should satisfy both the spirit of the law and the letter of the law.
- b. Ensure transparency and maintain a high level of disclosure.

- c. Clearly distinguish between personal conveniences and corporate resources.
- d. Communication externally and truthfully, about how the Company is run internally.
- e. Have a simple and transparent corporate structure driven solely by business needs.
- f. The management is the trustee of the shareholders' capital and not the owner.

2. Board of Directors

As on March 31, 2017 the Company’s Board consisted of Seven Directors comprising a Managing Director & CEO and Six Non- Executive Directors. Board consists of four Independent Directors. None of the Directors on the Board is a Member of more than Ten Committees and Chairman of more than Five Committees across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by Directors.

Composition , Category of Directors, Other directorship, Membership of Board/Committees in other Companies and shareholding of Directors in the Company as on March 31, 2017.

Name of the Director	Category of Directorship	No. of Directorship in other Public & Pvt. Ltd. Companies	Committee Positions*		Number of Shares Held
			Chairman	Member	
Mr. Auduth Timblo DIN00181589	Chairman (Promoter & Non- Executive)	8	Nil	Nil	2112139
Mrs. Anju Auduth Timblo DIN00181722	Managing Director & CEO (Executive)	Nil	Nil	Nil	9887629
Mr. Jamshed Delvadavala DIN00047470	Independent Director (Non – Executive)	3	Nil	2	Nil
Mr. Shardul Thacker DIN00153001	Independent Director (Non – Executive)	5	Nil	1	Nil
Mr. Reyaz Mama DIN02130452	Independent Director (Non – Executive)	3	Nil	Nil	Nil
Mr. Raghunandan Maluste DIN01302477	Independent Director (Non – Executive)	4	Nil	Nil	Nil
Mr. Apoorva Misra DIN02722155	Non Independent Director (Non – Executive)	6	Nil	Nil	Nil

Note:

- 1. Mr. Auduth Timblo and Mrs. Anju Auduth Timblo are related to each other.
- 2. Committee positions includes only Audit Committee and Stakeholders’ Relationship Committee of public limited Companies whether listed or not.

Induction & 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 for Independent Directors include interactive sessions with the Functional Heads.

Board Evaluation:

One of the key functions of Board is to monitor and review the Board evaluation framework. Each Board member is requested to 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. Feedback on each director is encouraged to be provided as a part of the mechanism. The performance evaluation of Independent Directors is done by the entire Board of Directors excluding the Director being evaluated. The exercise was carried out through a structured evaluation process covering various aspects of the Board’s functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues, inflow of information, decision making, company’s performance, company strategy etc. on a scale of one to three. 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.

Whistle Blower Policy:

The Company has in place a Vigil mechanism for Directors and Employees. The details of Whistle Blower policy are set out in Directors Report.

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

The Board generally meets 5 times during the year. Additional meetings are held when necessary. During the year ended on March 31, 2017 the Board of Directors had 5 meetings. These were held on 30th May, 2016, August 12, 2016, November 12, 2016, February 11, 2017 and March 20, 2017. The last Annual General Meeting (AGM) was held on September 23, 2016. The attendance record of the Directors at the Board Meetings during the year ended on March 31, 2017 and at the last AGM is as under:

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM
Mr. Auduth Timblo	5	5	Yes
Mrs. Anju Timblo	5	4	Yes
Mr. V. P. Raikar*	5	Nil	N.A.
Mr. Jamshed Delvadavala	5	5	Yes
Mr. Shardul Thacker	5	2	No
Mr. Reyaz Mama**	5	4	No
Mr. Raghunandan Maluste	5	3	Yes
Mr. Apoorva Misra	5	5	Yes

*Mr. V. P. Raikar, resigned as a Director w.e.f. May 28, 2016

**Mr. Reyaz Mama attended the Board meeting held on March 20, 2017 through video conferencing.

Managing Director & CEO’s and Non –Executive Directors compensation and Disclosure:

Emoluments & benefits paid to Managing Director & CEO is Rs. 40,32,000/- p.a. Non-Executive Directors who attend the Board/Audit Committee meetings are paid sitting fees. During the Financial year a sum of Rs. 4,10,000/- has been paid as sitting fees for Board and other Committee Meetings.

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 22, 2017 wherein Independent Directors Mr. Jamshed Delvadavala, Mr. Raghunandan Maluste, Mr. Shardul Thacker and Mr. Reyaz Mama met without any 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.

Availability of Information to Board members:

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, nomination and remuneration, risk management committee, stakeholders relationship committee, corporate social responsibility committees 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
- Fatal or serious accidents, dangerous occurrence, and issues related to material effluents or pollution
- 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 transfer
- Quarterly compliance reports and investor grievance reports

3. Audit Committee

A) 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:

- The audit committee presently consists of the four Independent Directors
- Majority of the Members of the Committee are financially literate and having the requisite financial management expertise;
- The Chairman of the Audit Committee is an Independent Director;
- The Chairman of the Audit Committee was present at the last Annual General Meeting held on 23rd September, 2016.

B) Terms of reference

Apart from all the matters provided in Regulation 18 of SEBI(LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013, the Audit Committee reviews reports of the Internal Auditor, meets Statutory Auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company.

C) Composition, names of members and chairperson, its meetings and attendance :

The Audit Committee consists of only Independent Directors.

The details of its composition are as follows:

- Mr. Jamshed Delvadavala - Chairman
- Mr. Shardul Thacker - Member
- Mr. Reyaz Mama – Member
- Mr. Raghunandan Maluste – Member

During the year the Audit Committee met four times and necessary quorum was present at each meeting held on 30th May 2016, 12th August 2016, 12th November 2016 and on 11th February 2017.

The attendance of each member at the Audit Committee Meetings is given below:

Name of the Director	Meetings held	Meetings attended
Mr. Jamshed Delvadavala	4	4
Mr. Shardul Thacker	4	1
Mr. Reyaz Mama	4	3
Mr. Raghunandan Maluste	4	2

The Audit Committee meetings are attended by invitation by the Managing Director & CEO, CFO, the Statuary Auditors , the Internal Auditors and the Financial Controller of unit Cidade de Goa.

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

4. Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Board of Directors meets the criteria laid down under Section 178 of the Companies Act, 2013, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee comprises of four Independent Directors.

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

Mr. Raghunandan Maluste – Chairman

Mr. Reyaz Mama – Member

Mr. Jamshed Delvadavala -Member

Mr. Shardul Thacker - Member

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

Brief description of terms of reference of Remuneration Committee, inter alia are:

- Review the performance of the Managing Director, after considering the company's performance.
- Recommend to the Board, remuneration including salary, perquisite etc. to be paid to the Managing Director.
- 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.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.

During the year under review, no meeting of the Nomination & Remuneration Committee was held.

Remuneration to Managing Director & C.E.O and to Non-Executive Directors:

Emoluments & benefits paid to Managing Director & CEO is Rs. 40,32,000/- p.a. Non-Executive Directors who attend the Board/Other Committee meetings are paid sitting fees. During the Financial year a sum of Rs. 4,10,000/- has been paid as sitting fees for attending Board and other Committee Meetings.

The Company has paid dividend to the following non-executive directors:

Name of the Non-Executive Director	Amount of Dividend Paid during the year 2016-2017 (Amount in Rs.)
Mr. Auduth Timblo	21,12,139/-
Mr. V. P. Raikar	6,700/-

Note: There has been no pecuniary relationship or transactions other than above of the Non-Executive Directors 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.

Policy for 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, 2017 the Board has 7 members consisting of one executive or whole time director, 4 independent directors and 2 non-executive directors. 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 Nomination and Remuneration policy is available on our website, http://www.cidadedegoa.com/upload/PDF/176_27_new_file_Nomination_and_Remuneration_Policy.pdf

The aims and objectives of this remuneration policy are as follows:

- 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, Key Management Personnel's and other employees.
- To formulate a criteria for evaluation of performance of all the directors on the Board;
- To devise a policy on Board diversity.
- 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.
- 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.
- 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

- a. 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;
- b. 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;

- c. 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;
- d. 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;
- e. Before the selection of Employee, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;
- f. 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/- per meeting respectively. However, sitting fees for attending other Committee meetings i.e. Nomination and Remuneration Committee, Shareholders Grievance Committee meeting, Risk Management Committee and 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 the Directors 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 are 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):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/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 MD/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 is first approved by the Nomination & Remuneration Committee.

A company shall appoint or re-appoint any person as its Managing Director and CEO 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 & CEO, 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 & CEO.

At the time of appointment and re-appointment, the Managing Director & CEO 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 & CEO within overall limits prescribed under the Companies Act, 2013.

The remuneration of the Managing Director & CEO consists only of fixed components. The fixed component comprises salary and contribution to Provident Fund.

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 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 April 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.

Independent Director's Familiarization Programme

Regulation 25(7) of SEBI (LODR) Regulations, 2015 with the Stock Exchanges 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: http://www.cidadedegoa.com/upload/PDF/142_14_new_file_Independent_Directors_Familiarization_Programme.PDF

Further at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining the role, function, duties and responsibilities. The format is available on our website (<http://www.cidadedegoa.com/images/draft-letter-of-appointment-for-independent-directors.pdf>).

5. Stakeholders Relationship Committee

The terms of reference of the Stakeholders Relationship Committee is to specifically look into the redressal of grievances of shareholders and other security holders. The Committee shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

Information related to transfer of unclaimed dividend to IEPF and Un-claimed Dividend are provided separately under shareholders information.

The Committee comprises of three Directors as under:

Mr. Shardul Thacker – Chairman

Mr. Reyaz Mama – Member

Mrs. Anju Timblo – Member

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

During the year, 10 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 2016-17 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 November 12, 2016. All members were present at the meeting.

6. 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 :

(A) Composition:

The Committee comprises of Mr. Reyaz Mama, an Independent Director as the Chairman of the Committee and Mr. Shardul Thacker, Mr. Jamshed Delvadavala, Independent Directors and Mrs. Anju Timblo, Managing Director & CEO as other members of the Committee. The Company Secretary, acts as the Secretary to the Committee.

(B) 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 on November 12, 2016 and March 20, 2017.

The attendance of each member at the Meetings is given below:

Name of the Director	Meetings held	Meetings attended
Mr. Reyaz Mama	2	2
Mr. Shardul Thacker	2	2
Mr. Jamshed Delvadavala	2	2
Mrs. Anju Timblo	2	2

The CSR policy of the Company is available on our website, http://www.cidadedegoa.com/upload/PDF/179_27_new_file_CSR_Policy_of_Fomento.pdf

7. 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.

The Risk Management Committee consists of Mr. Jamshed Delvadavala, Independent Director as the Chairman of the Committee. Mr. Reyaz Mama, Independent Director, Mr. Raghunandan Maluste , Independent Director, Mrs. Anju Timblo, Managing Director & CEO, Mr. M.A. Hajare, Chief Financial Officer and Mr. Satish Agrahar, Financial Controller as the other members of the Committee.

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.

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 November 12, 2016 and March 20, 2017.

The attendance of each member at the Meetings is given below:

Name of the Director	Meetings held	Meetings attended
Mr. Jamshed Delvadavala	2	2
Mr. Reyaz Mama	2	2
Mr. Raghunandan Maluste	2	2
Mrs. Anju Timblo	2	2
Mr. M. A. Hajare	2	1
Mr. Satish Agrahar	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.

8. 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, 2017.

9. Disclosures

- a) The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions that they and/or their relatives do not have personal interest. There are no materially significant related party transactions made by the Company with its promoters, directors, senior management or relatives etc, which may have potential conflict with the interest of the Company at large. The Company has formulated a policy on materiality of Related Party Transactions. The policy is also available on the website of the Company (weblink: http://www.cidadedegoa.com/upload/PDF/173_27_new_file_Related_Party_Transaction_Policy.pdf)
- b) Incorporated in the Annual Report are the disclosures of transactions with related parties in compliance with Accounting Standard AS-18.
- c) The company has complied with the requirements of the Stock Exchanges, SEBI, Ministry of Company affairs and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI, Ministry of Company Affairs or other statutory authorities relating to the above during the last three years.
- d) The Directors and other identified persons have observed and complied with the requirements of the Code of Conduct of the Company and regulation for Prevention of Insider Trading in Equity Shares of the Company in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

- e) Statutory Auditor have certified that the Company has complied with the conditions of Corporate Governance. This certificate will be sent to the Stock Exchange along with the Annual Report of the Company.
- f) 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.
- g) During the year ended March 31, 2017 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.
- h) The Independent Directors have confirmed that they meet the criteria of "Independence" as laid down in section 149(6) of the Companies Act, 2013.
- i) The financial statements of the Company have been prepared in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

10. 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 newspapers 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, 2017 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.

11 . General Body Meetings

Location	Date	Time
Cidade de Goa, Vainguinim Beach, Goa - 403004		23rd September, 2016
Cidade de Goa, Vainguinim Beach, Goa - 403004		28th September, 2015
Cidade de Goa, Vainguinim Beach, Goa - 403004		27th September, 2014

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 27, 2014	a. Appointment of Mr. Jamshed Delvadavala as an Independent Director
		b. Appointment of Mr. Reyaz Mama as an Independent Director
		c. Appointment of Mr.V.P. Raikar as an Independent Director
		d. Issue of Preference Shares
		e. Arrangement with Related Party
		f. Renting of premises to Companies in which Directors are interested
		g. To increase the Borrowing powers of the Board of Director
		h. Creation of Charge
b.	Special Resolution passed at the Annual General Meeting held on September 28, 2015	To approve consolidation of limits sanctioned for arrangements/transactions with Related Party
c.	Special Resolution passed at the Annual General Meeting held on September 23, 2016	To approve related party arrangements for availing services.

12. Postal Ballot

The Company has obtained the approval of the shareholders through voting by postal ballot dated March 23, 2017 in terms of provisions of section 110 of the Companies Act, 2013 read with the applicable rules of the Companies (Management and Administration) Rules, 2014 and passed the following Special Resolutions:

1. Enhancement of borrowing limits from Rs. 500 crores to Rs. 750 crores.
2. Creation of charge on the moveable and immovable properties of the Company, both present and future, in respect of borrowings.

Voting Pattern and Procedure for Postal Ballot:

1. The Board of Directors of the Company, had appointed Mr. Shivaram Bhat as the Scrutinizer for conducting the Postal Ballot voting process at their meeting held on February 11, 2017.
2. The Company had completed the dispatch of the Postal Ballot notice dated February 11, 2017 together with the Explanatory Statement on February 17, 2017 along with Forms and Postage Prepaid Business Reply Envelopes to all the shareholders whose name(s) appeared on the Register of Members/List of Beneficiaries as on February 11, 2017.
3. The voting under the Postal Ballot was kept open from February 20, 2017 to March 21, 2017.
4. Particulars of Postal Ballot Forms received from the Members using the Electronic platform of NSDL were entered in a register separately mentioned for the purpose.
5. The Postal Ballot forms were kept under safe custody in sealed and tamper proof ballot boxes before commencing scrutiny of such postal ballot forms.
6. All Postal Ballot forms received/receivable upto the close of working hours on March 21, 2017 the last date and time fixed by the Company for receipt of the forms, had been considered for scrutiny.
7. Envelopes containing Postal Ballots forms received after close of business hours on March 21, 2017 had not been considered for his scrutiny.
8. On March 23, 2017 Mrs. Anju Timblo, Managing Director & CEO of the Company declared the following results of the Postal Ballot as per the Scrutinizers report

Resolution	Assent			Dissent			Invalid			TOTAL		
	No of Share holders voted	No of Shares	%	No of Share holders voted	No of Shares	%	No of Share holders voted	No of Shares	%	No of Share holders voted	No of Shares	%
Enhancement of borrowing limits from Rs. 500 crores to Rs. 750 crores	85	15281699	99.99	5	1850	0.01	0	0	0.00	90	15283549	100
Creation of charge on the moveable and immovable properties of the Company, both present and future, in respect of borrowings.	83	15281549	99.99	7	2000	0.01	0	0	0.00	90	15283549	100

None of the resolutions proposed for the ensuing Annual General Meeting is required to be passed by Postal Ballot

13. General Shareholders Information

1. Annual General Meeting

Date: Friday, September 29, 2017

Time: 4:00 p.m.

Venue: Cidade de Goa, Vainguinim Beach, Goa – 403004

2. Financial Year 2017-18

For the year ending March 31, 2018 the results will be announced as per the tentative Schedules below:

Particulars	Date
First Quarter Results	On or before August 14, 2017
Second Quarter Results	On or before November 14, 2017
Third Quarter Results	On or before February 14, 2018
Audited Annual Results	On or before May 30, 2018

3. Dates of Book Closure

The Register of Members and share Transfer Register will remain closed for a period of 7 days from Friday, August 4, 2017 to Thursday, August 10, 2017 (both days inclusive).

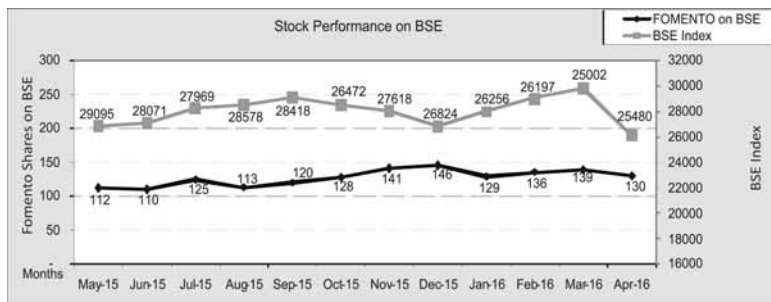
4. Dividend Payment Date:

Dividend will be paid to all shareholders on or after October 5, 2017.

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 – 16	26100.54	24523.20	129.70	97.20
May – 16	26837.20	25057.93	112.40	99.10
Jun – 16	27105.41	25911.33	110.25	91.60
Jul – 16	28240.20	27034.14	124.50	99.05
Aug – 16	28532.25	27627.97	112.95	97.10
Sep - 16	29077.28	27716.78	119.95	102.50
Oct – 16	28477.65	27488.30	128.00	106.00
Nov – 16	28029.80	25717.93	140.80	111.00
Dec – 16	26803.76	25753.74	146.00	108.15
Jan – 17	27980.39	26447.06	128.90	108.30
Feb – 17	29065.31	27590.10	135.55	112.00
Mar - 17	29824.62	28716.21	138.95	120.00



6. Means of Communication

Quarterly Result	Published in newspaper
News papers in which normally published	The Navhind Times, The Free Press Journal (in English) and Navprabha, Navshakti (in Marathi)
Any website, where displayed	www.cidadedegoa.com
whether it also displays official news release	Yes
The Presentation made to institutional investors or to the Analysts	NA

All corporate information filed by the Company with the stock exchange is uploaded on www.listing.bseindia.com and can be viewed on website of the stock exchange i.e. www.bseindia.com. The information is also available on the Company’s website www.cidadedegoa.com

For and on behalf of the Board of Directors

Anju Timblo **Jamshed Delvadavala**
Managing Director & CEO **Independent Director**

Place: Vainguinim Beach – Goa
 Date: May 30, 2017

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*
2009-2010	Final	1.50	Sept 20, 2010	Oct 25, 2017	Rs. 2,53,158/-
2010-2011	Final	1.00	Sept 29, 2011	Nov 03, 2018	Rs. 1,81,750/-
2011-2012	Final	1.00	Sept 29, 2012	Nov 03, 2019	Rs. 2,09,511/-
2012-2013	Final	1.00	Sept 30, 2013	Nov 04, 2020	Rs. 2,24,474/-
2013-2014	Final	1.00	Sept 27, 2014	Nov 01, 2021	Rs. 2,09,212/-
2014-2015	Final	1.00	Sept 28, 2015	Nov 02, 2022	Rs. 2,37,849/-
2015-2016	Final	1.00	Sept 23, 2016	Oct 28, 2023	Rs. 2,57,637/-

*Amount unclaimed as on March 31, 2017

Dividend remitted to IEPF during last three financial years:

Financial Year	Amount
2016 - 2017	Rs. 2,50,593/-
2015 - 2016	Rs. 2,49,159/-
2014 - 2015	Rs. 2,66,349/-

2. Listing on Stock Exchange

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

Ahmedabad Stock Exchange Limited vide letter Ref: ASEL/330 dated January 17, 2017 informed the Company to do all compliance with BSE Limited as Ahmedabad Stock Exchange Limited is undergoing exit policy.

The annual listing fees for the financial year 2017-18 to BSE Limited has been paid.

3. Registrar and Share Transfer Agents

Bigshare Services Private Limited
Unit: Fomento Resorts and Hotels Limited
Bharat Tin Works Building, 1st Floor,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East), Mumbai,
Maharashtra - 400059,
Phone No. 022-62638200
Fax No. 022-62638299
Email id: investor@bigshareonline.com
Website: www.bigshareonline.com

Note: The office address of the Registrar and Transfer Agent of the Company has changed w.e.f. June 27, 2017.

4. Share Transfer System

- (a) Trading in equity shares of the Company is permitted only in dematerialised form.
- (b) Requests for dematerialization of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services India Limited (CDSL) within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.
- (c) Shares sent for transfer in physical form are normally processed within a period of 15 days of receipt of the documents, provided all documents are valid and complete in all respects.
- (d) **Distribution of Shareholding as on 31st March, 2017**

Sr. No.	Category (Shares) From - To	Number of Shareholders	No. of Shares	% To Equity Capital
1	1 – 500	3,158	3,85,110	2.41
2	501 – 1000	109	94,332	0.59
3	1001 – 2000	59	99,577	0.62
4	2001 – 3000	9	22,611	0.14
5	3001 – 4000	5	17,154	0.11
6	4001 – 5000	5	23,120	0.14
7	5001 – 10000	8	53,791	0.34
8	10001 and above	9	1,53,04,305	95.65
	TOTAL	3,362	1,60,00,000	100

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.

(e) Shareholding Pattern as on 31st March, 2017

Sr No.	Category of Shareholder	Total Holdings	Holding in %
1	Shareholding of Promoters	1,19,99,768	75.00%
2	Bodies Corporate	37,913	0.24%
3	Individuals	37,64,681	23.53%
4	Non Resident Indians	1,84,368	1.15%
5	Clearing Members	3,245	0.02%
6	HUF	9,870	0.06%
7	Employees	155	0.00%
		1,60,00,000	100%

5. Dematerialization of Shares and Liquidity

The total number of shares in dematerialised form as on 31st March, 2017 is 1,54,78,251 representing 96.74% of the total number of shares of the Company.

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

6. 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 id: shareholders@cidadedegoa.com	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 – 400059, Maharashtra Phone No. 022-62638200 Fax No. 022-62638299 Email id: investor@bigshareonline.com

7. Location of Hotel

Cidade de Goa : Vainguinim beach, Dona Paula, Goa - 403004

8. 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 Share Transfer Agents.
- c) Shareholders are requested to quote their e-mail id, telephone/ fax numbers to get prompt reply to their communication.

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 financial statements and the cash flow statement for the year ended March 31, 2017 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, 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 system 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;
 - 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 of which they 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.

ANJU TIMBLO
MANAGING DIRECTOR & CEO

M. A. HAJARE
CHIEF FINANCIAL OFFICER

Place: Vainguinim Beach – Goa
Date: 30th May, 2017

AUDITORS' 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, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 25, 26, 27 and Clause (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 Company's Management. 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, 18, 19, 20, 21, 22, 23, 25, 26, 27 and Clause (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, 2017.

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 **H. K. Aparanji**
Chartered Accountants
Firm Reg. No. 000199S

(**Mohan B. Pyati**)
Partner
Membership No. 203120

Place: Margao

Dated: May 30, 2017

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, 2017.

For **Fomento Resorts and Hotels Limited**

Anju Timblo
Managing Director & CEO

Place: Vainguinim Beach- Goa

Dated: May 30, 2017

Independent Auditors' Report

**To the Members of
Fomento Resorts and Hotels Limited**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Fomento Resorts and Hotels Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash-Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, and its profit and its cash flows for the year ended on that date.

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 sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraph 3 and 4 of the order to the extent applicable.
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 purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance sheet, the Statement of Profit and Loss and the Cash-Flow Statement dealt with this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the Directors as on 31st March 2017 and taken

on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure “B”; and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules, 2014, 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 34 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;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of account maintained by the company – Refer note 39 to the financial statements.

For H. K. APARANJI
Chartered Accountants
Firm Regn. No. 000199S

MOHAN B. PYATI
Partner
Membership No. 203120

Place: Margao-Goa
Date: 30th May, 2017

Annexure “A” to the Independent Auditors’ Report

The Annexure referred to in paragraph 1 of our report of even date to the members of Fomento Resorts and Hotels Limited for the year ended 31st March 2017:

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. (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 hence reporting under Clause III of the order is not applicable.
- IV. The Company has not granted any loans, made any investments or provided guarantees and hence reporting under Clause IV of the order is not applicable.
- V. According to information and explanations given to us, the company has not accepted any deposits from the public during the year.
- VI. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for the Company.
- VII. (a) The Company is regular in depositing with appropriate authorities undisputed Statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess, 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, wealth tax, service tax, sales tax, customs duty, excise duty, value added tax and cess which were outstanding as at 31st March 2017 for a period of more than six months

Fomento Resorts and Hotels Limited

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:

(₹ in lakhs)

Name of the Statute	Nature of dues	Forum where dispute is Pending	Amount	Period to which the amount relates
1. Expenditure Tax Act	Expenditure Tax	High Court of Bombay, Panaji Bench, Goa.	Rs.676.88	Assessment Year 1996-97 to 2002-03
2. Income Tax Act	Income Tax	Commissioner of Income Tax (Appeals), Panaji,-Goa.	Rs. 5.04	Assessment Year 2009-10
3. Income Tax Act	Income Tax	Commissioner of Income Tax (Appeals), Panaji,-Goa.	Rs.6.30	Assessment Year 2011-12
4. Income Tax Act	Income Tax	Commissioner of Income Tax. (Appeals), Panaji,-Goa	Rs.4.91	Assessment Year 2012-13
5. Income Tax Act	Income Tax	Commissioner of Income Tax (Appeals), Panaji-Goa	Rs. 5.84	Assessment Year 2013-14
5. Income Tax Act	Income Tax	Commissioner of Income Tax (Appeals), Panaji-Goa	Rs. 10.77	Assessment Year 2014-15

- VIII. The Company has not taken any loans from Banks/Financial institutions/Debenture holders. Hence reporting under Clause VIII of the order is not applicable.
- IX. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause IX of the order is not applicable.
- X. According to the information and explanation 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 clause XII of the order is not applicable.
- 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 transaction 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 Clause XIV of the order is not applicable.
- 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, clause XV of the order is not applicable.
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **H. K. APARANJI**
Chartered Accountants
Firm Regn. No. 000199S

MOHAN B. PYATI
Partner
Membership No. 203120

Place: Margao-Goa
Date: 30th May, 2017

Annexure “B” to the Independent Auditors’ Report

The Annexure referred to in paragraph 2 (f) of our report of even date to the members of Fomento Resorts and Hotels Limited for the year ended 31st March 2017:

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 over financial reporting of Fomento Resorts and Hotels Ltd. (“the Company”) as at 31st March 2017 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (“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 the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting 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 control over financial reporting 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 over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial

controls over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based in the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on audit of internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **H. K. APARANJI**
Chartered Accountants
Firm Regn. No. 000199S

MOHAN B. PYATI
Partner
Membership No. 203120

Place: Margao-Goa
Date: 30th May, 2017

BALANCE SHEET AS AT 31ST MARCH 2017

PARTICULARS	Note	As at 31st March, 2017 (Rs. In Lakhs)	As at 31st March, 2016 (Rs. In Lakhs)
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	8,600.00	8,600.00
(b) Reserves and surplus	3	8,151.20	6,469.47
		16,751.20	15,069.47
Non-current liabilities			
(a) Long-term borrowings	4	9,264.13	3,279.03
(b) Deferred tax liability (Net)	5	442.74	445.31
(c) Other Long term liabilities	6	431.20	267.05
(d) Long term provisions	7	--	3.52
		10,138.07	3,994.91
Current liabilities			
(a) Trade payables	8		
(i) Total Outstanding dues of Micro Enterprises and Small Enterprises		5.03	4.23
(ii) Total Outstanding dues of Creditors other than Micro Enterprises and small Enterprises		608.41	825.70
(b) Other current liabilities	9	648.03	893.07
(c) Short-term provisions	10	148.03	971.31
		1,409.50	2,694.31
	TOTAL	28,298.77	21,758.69
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	3,675.75	3,881.94
(ii) Intangible Asset	11	10.23	13.71
(iii) Capital Work In Progress		16,679.17	10,343.42
(b) Non-current investments	12	0.10	0.10
(c) Long-term loans and advances	13	974.10	767.99
		21,339.35	15,007.16
Current assets			
(a) Inventories	14	188.94	184.33
(b) Trade receivables	15	406.95	576.57
(c) Cash and cash equivalents	16	5,941.36	5,760.38
(d) Short-term loans and advances	17	422.17	230.25
		6,959.42	6,751.53
	TOTAL	28,298.77	21,758.69
	1		

Significant Accounting Policies

Note: The accompanying notes form an integral part of accounts.

As per our report of even date

For **H. K. Aparanji**

Chartered Accountants
Firm Reg. No 000199S

Mohan B. Pyati

Partner

MNO. 203120

Place : Margao-Goa

Date : 30th May, 2017

For and on behalf of Board of Directors

Anju Timblo

Managing Director & CEO

Asmeeta Matondkar

Company Secretary

Place : Vainguinim Beach- Goa

Date : 30th May, 2017

Jamshed Delvadavala

Independent Director

M. A. Hajare

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	Note	Current year (Rs. In Lakhs)	Previous year (Rs. In Lakhs)
I Revenue from operations	18	6,048.23	5,853.28
II. Other income	19	634.19	915.67
III. Total Revenue (I + II)		6,682.42	6,768.95
IV. EXPENDITURE			
Cost of food and beverage and supplies consumed	20	639.98	705.61
Employee benefits expense	21	1,288.68	1,223.02
Operating expenses	22	882.34	950.42
Finance costs	23	35.46	34.65
Depreciation and Amortisation	11	269.74	320.62
Administration and Other expenses	24	973.37	1,218.61
Total expenses		4,089.57	4,452.93
V. Profit before exceptional and extraordinary item and tax (III-IV)		2,592.85	2,316.02
VI Exceptional and extraordinary item		--	--
VII Profit Before Tax		2,592.85	2,316.02
VIII Tax expense	25	911.12	910.78
IX Profit After Tax (VII-VIII)		1,681.73	1,405.24
X Earnings per equity share (face value of Rs.10/- each)	26		
(1) Basic and diluted (before exceptional item)		6.56	4.83
(2) Basic and diluted (after exceptional item)		6.56	4.83
Significant Accounting Policies	1		

Note: The accompanying notes form an integral part of accounts.

As per our report of even date

For **H. K. Aparanji**
Chartered Accountants
Firm Reg. No 000199S

For and on behalf of Board of Directors

Anju Timblo
Managing Director & CEO

Jamshed Delvadavala
Independent Director

Mohan B. Pyati
Partner
MNO. 203120

Asmeeta Matondkar
Company Secretary

M. A. Hajare
Chief Financial Officer

Place : Margao-Goa
Date : 30th May, 2017

Place : Vainguinim Beach- Goa
Date : 30th May, 2017

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017.

NOTE - 1

ACCOUNTING POLICIES:

General Information

Fomento Resorts and Hotels Ltd (“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 and Ahmedabad Stock Exchange Ltd.

Basis of preparation

The financial statements of the Company are prepared under the historical cost convention on accrual basis of accounting in all material respects in accordance with the applicable accounting standards as prescribed under section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rule, 2014. The accounting policies have been consistently applied by the Company during the year.

Significant Accounting Policies adopted in the preparation and presentation of accounts is as under:

A) FIXED ASSETS:

Fixed Assets are valued at cost less accumulated depreciation/amortisation.

B) DEPRECIATION:

- a) In respect of Fixed assets acquired during the year, depreciation is charged on straight line method based on the life assigned to each asset in accordance with Schedule II of the Companies Act, 2013 and for the assets acquired prior to 01.04.2014 the carrying amount as on 01.04.2014 is depreciated over the remaining useful life as specified in Schedule II of the Companies Act, 2013.
- b) Intangible Asset is amortised on straight line basis over the period of sixty months

C) INVESTMENTS:

Investments are stated at cost.

D) INVENTORY:

Inventory of Stores & Spares, Food & Beverages is valued at cost and method of valuation adopted is “Moving Weighted Average” method.

E) 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.

F) 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.

G) REVENUE RECOGNITION:

Revenue is recognised at the time the bills are raised on customers and there exist no significant uncertainty as to determination or realisation of debts.

H) BORROWING COST:

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets are capitalised.

I) SEGMENT REPORTING:

The Company is presently operating only one integrated hotel business at Goa namely, Cidade de Goa. 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 Accounting Standard 17 (AS-17).

J) 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.

K) 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 Accounting Standard 22 (AS-22). 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 ACCOUNTS FOR THE YEAR ENDED 31.03.2017

PARTICULARS	As at 31.03.2017 (Rs. In Lakhs)	As at 31.03.2016 (Rs. In Lakhs)
NOTE - 2		
SHARE CAPITAL		
Authorised :		
3,00,00,000 (Previous year : 3,00,00,000)		
Equity Shares of Rs 10 each	3,000	3,000
2,70,00,000 (Previous year : 2,70,00,000)		
Redeemable Preference Shares of Rs 100 each	27,000	27,000
	30,000	30,000
Issued, subscribed and paid-up :		
1,60,00,000 (Previous year : 1,60,00,000)		
Equity Shares of Rs 10 each, fully paid-up	1,600	1,600
70,00,000 (Previous year : 70,00,000)		
Redeemable Preference Shares of Rs 100 each	7,000	7,000
TOTAL	8,600	8,600

(a) Reconciliation of number of shares

Particulars	As at 31st March 2017		As at 31st March, 2016	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
Opening Balance	1,60,00,000	16,00,00,000	1,60,00,000	16,00,00,000
Changes during the year	--	--	--	--
Closing Balance	1,60,00,000	16,00,00,000	1,60,00,000	16,00,00,000
Preference Shares				
Opening Balance	70,00,000	70,00,00,000	70,00,000	70,00,00,000
Shares Allotted during the year	--	--	--	--
Closing Balance	70,00,000	70,00,00,000	70,00,000	70,00,00,000

(b) Right, preferences and restrictions attached to shares:

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. The Board of Directors in its meeting on 30th May, 2017, have proposed dividend of Rs.1 per equity share for the financial year ended 31st March, 2017. The proposal is subject to the approval of shareholders in the ensuing Annual General Meeting.

Preference Shares

7.5% redeemable cumulative preference shares would be redeemable at par after 5 years from the date of allotment i.e. 10th January 2015. These shares would carry a fixed dividend of 7.5% p.a. The Board of Directors in its meeting on 30th May, 2017, have proposed dividend of Rs.7.5 per preference share for the financial year ended 31st March, 2017. The proposal is subject to the approval of shareholders in the ensuing Annual General Meeting.

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2017

(c) Details of shareholders holding more than 5 % shares along with the number of Shares held is as under :

i) Equity Shareholders

Name of the Shareholders	As at 31st March, 2017		As at 31st March, 2016	
	%	Number of shares	%	Number of 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	8,17,100	5.11	8,17,100
Ajmera S Jayantilal	5.11	8,17,200	5.11	8,17,200

ii) Preference Shareholders

Name of the Shareholders	As at 31st March, 2017		As at 31st March, 2016	
	%	Number of shares	%	Number of shares
Fomento Resources Private Limited	100.00	70,00,000	100.00	70,00,000

PARTICULARS	As at 31.03.2017 (Rs. In Lakhs)	As at 31.03.2016 (Rs. In Lakhs)
NOTE - 3		
RESERVES AND SURPLUS		
CAPITAL RESERVE	2.21	2.21
CAPITAL INVESTMENT SUBSIDY	15.00	15.00
GENERAL RESERVE		
Opening Balance	910.58	770.06
Add: Transferred from surplus	168.17	140.52
Closing Balance	1,078.75	910.58
SURPLUS		
Opening Balance	5,541.68	5,101.41
Add : Net Profit for the year	1,681.73	1405.24
	7,223.41	6,506.65
Appropriations :		
Transfer to general reserve	168.17	140.52
Proposed dividend on Equity Shares	--	160.00
Proposed dividend on Cumulative Preference Shares	--	525.00
Tax on Proposed Dividend	--	139.45
Total appropriations	168.17	964.97
Closing Balance	7,055.24	5,541.68
TOTAL	8,151.20	6,469.47
NOTE - 4		
LONG TERM BORROWINGS		
UNSECURED		
(From companies in which some of the Directors / Members are common)	9,264.13	3,279.03
TOTAL	9,264.13	3,279.03

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2017

PARTICULARS	As at 31.03.2017 (Rs. In Lakhs)	As at 31.03.2016 (Rs. In Lakhs)
NOTE - 5		
DEFERRED TAX LIABILITY (NET)		
Depreciation	441.88	446.53
Gratuity	0.86	(1.22)
TOTAL	442.74	445.31
NOTE - 6		
OTHER LONG TERM LIABILITIES		
Trade Payables	0.63	0.73
Deposits	408.95	225.25
Other Payables	4.18	4.18
Unpaid Salaries & Bonus	17.44	36.89
TOTAL	431.20	267.05
NOTE - 7		
LONG TERM PROVISIONS		
Gratuity Provision	--	3.52
TOTAL	--	3.52
NOTE - 8		
TRADE PAYABLES		
(i) Dues to Micro Enterprises and Small Enterprises	5.03	4.23
(ii) Due to other than Micro Enterprises and Small Enterprises *	608.41	825.70
TOTAL	613.44	829.93
* Includes dues to creditors for capital goods Rs. 324.63 lakhs (Previous Year: Rs. 554.96 lakhs)		
NOTE - 9		
OTHER CURRENT LIABILITIES		
Accrued Salaries & Benefits		
Salaries & Benefits	80.37	75.35
Bonus & Incentives	47.59	46.27
Other Liabilities		
Expenses Payables	20.34	150.43
IEPF - Unclaimed Dividend	15.74	16.29
Statutory dues	191.55	139.01
Advance from Customers	169.81	283.02
Unpresented Cheques	92.99	171.79
Other payables	29.64	10.91
TOTAL	648.03	893.07
NOTE - 10		
SHORT TERM PROVISIONS		
Other Provisions		
Provision for Income Tax (Net of Advances)	148.03	146.86
Proposed dividend	--	685.00
Tax on proposed dividend	--	139.45
TOTAL	148.03	971.31

NOTE 11:
SCHEDULE OF FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2017
 (Rs. In Lakhs)

SR NO	PARTICULARS	AT COST			DEPRECIATION				NET BLOCK		
		As On 1/4/2016	Additions	Deletions	As On 31/3/2017	Up To 1/4/2016	For The Year	Deletions/ Written Back	Up To 31/3/2017	As On 31/3/2017	As On 31/3/2016
A	TANGIBLE ASSETS										
1	LAND FREE HOLD: LEASING DIVISION	2.88	-	-	2.88	-	-	-	-	2.88	2.88
	HOTEL DIVISION	120.30	-	-	120.30	-	-	-	-	120.30	120.30
2	BUILDING:										
	LEASING DIVISION	10.57	-	-	10.57	8.15	0.06	-	8.21	2.36	2.43
	HOTEL DIVISION	3,107.93	-	-	3,107.93	830.31	49.24	-	879.55	2,228.38	2,277.62
3	PLANT & MACHINERY	3,037.26	41.67	2.96	3,075.97	1,993.20	115.03	1.13	2,107.10	968.87	1,044.06
4	FURNITURE & FITTINGS	1,649.08	10.56	-	1,659.64	1,281.88	81.48	-	1,363.36	296.28	367.20
5	VEHICLES	164.36	-	85.33	79.03	149.11	3.66	76.57	76.20	2.83	15.25
6	OFFICE EQUIPMENT	23.19	3.80	0.27	26.72	8.70	2.74	0.11	11.33	15.39	14.49
7	COMPUTERS	285.12	12.20	-	297.32	259.26	8.61	-	267.87	29.45	25.87
8	MOTOR BUSES	23.44	-	-	23.44	11.59	2.84	-	14.43	9.01	11.84
	TOTAL	8,424.13	68.23	88.56	8,403.80	4,542.20	263.66	77.81	4,728.05	3,675.75	3,881.94
B	INTANGIBLE ASSETS										
1	SOFTWARE	28.36	2.61	-	30.96	14.65	6.08	-	20.73	10.23	13.71
	TOTAL	28.36	2.61	0.00	30.96	14.65	6.08	0.00	20.73	10.23	13.71
	GRAND TOTAL	8,452.49	70.84	88.56	8,434.76	4,556.85	269.74	77.81	4,748.78	3,685.98	3,895.65
	PREVIOUS YEAR	8,471.30	114.43	133.24	8,452.49	4,327.81	320.62	91.58	4,556.85	3,895.65	4,143.49

NOTES: 1. Building (Hotel division) includes Rs. 500/- being the cost of shares in Housing Co-operative society representing ownership rights in residential flats.

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2017

PARTICULARS	As at 31.03.2017 (Rs. In Lakhs)	As at 31.03.2016 (Rs. In Lakhs)
NOTE - 12		
NON CURRENT INVESTMENT		
LONG TERM INVESTMENTS - AT COST		
Other Investments (Unquoted)		
Investment in Saraswat Cooperative Bank Shares (1,000 shares of Saraswat Cooperative Bank Limited at Rs. 10/- each)	0.10	0.10
TOTAL	0.10	0.10
NOTE - 13		
LONG TERM LOANS AND ADVANCES		
Unsecured considered good		
Capital Advances	671.42	385.23
Security deposits	29.74	39.74
Advances with Government Authorities	153.01	191.34
Interest Accrued	5.77	37.94
Prepaid Expenses	8.72	10.52
Advance to Others	105.44	103.22
TOTAL	974.10	767.99
NOTE - 14		
INVENTORIES (AT COST)		
Raw materials	65.60	65.00
Stores & Spares	123.34	119.33
TOTAL	188.94	184.33
NOTE - 15		
TRADE RECEIVABLES		
Unsecured considered good		
Outstanding over six months	115.80	117.57
Others Debts	291.15	459.00
TOTAL	406.95	576.57
NOTE - 16		
CASH AND CASH EQUIVALENTS		
A. Cash and Bank Balances		
Cash in Hand	14.97	10.21
Cheques and Currencies on Hand	0.00	2.00
Balances with scheduled banks (Refer Note 1) in current accounts	121.66	355.26
in unclaimed dividend account	15.73	16.29
B. Other Bank Balances (Refer Note 2 & 3)		
Deposits with Banks	5,789.00	5,376.62
TOTAL	5,941.36	5,760.38

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2017**Notes :**

1. Unclaimed dividend for a period of 7 years will be transferred to IEPF as per provision of section 124 of the Companies Act, 2013. There are no amounts due for payment to IEPF as at the year end.
2. Other bank balances include Rs 105.73 Lakhs (Previous year: Rs 43 Lakhs) representing margin money for bank guarantees issued by bank
3. Fixed Deposits with banks having a maturity period of more than 12 months Rs. 359.35 Lakhs (Previous Year: Rs. 977.06 Lakhs)

PARTICULARS	As at 31.03.2017 (Rs. In Lakhs)	As at 31.03.2016 (Rs. In Lakhs)
NOTE - 17		
SHORT TERM LOANS AND ADVANCES		
Other Loans & Advances		
Unsecured, considered good		
Claims Receivable	0.46	1.28
Advance to Suppliers	4.39	8.83
Interest Accrued	222.78	138.99
Loans to Employees	6.16	2.40
Advances with Government Authorities	65.50	12.95
Unpresented Cheques	74.24	14.18
Prepaid Expenses	48.64	51.62
TOTAL	422.17	230.25
NOTE - 18		
REVENUE FROM OPERATIONS		
(a) Sale of Room Nights	3,900.78	3,629.20
(b) Food and Beverage	1,694.47	1,774.91
(c) Wine and Liquor	246.41	236.96
(d) Other Operational Revenue	206.57	212.21
TOTAL	6,048.23	5,853.28
NOTE - 19		
OTHER INCOME		
(a) Interest Income	445.98	523.26
(b) Dividend Income	0.02	--
(c) License Fees	57.30	179.09
(d) Gain on foreign exchange transactions (Net)	11.28	10.92
(e) Scrap Sale	4.36	4.99
(f) Other Income	78.08	151.55
(g) Profit on sale of Asset (Net)	0.90	5.33
(h) Prior Period Income (Net)	0.45	27.10
(i) Sundry Credit Balance Written Back (Net)	35.82	13.43
TOTAL	634.19	915.67

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2017

PARTICULARS	As at 31.03.2017 (Rs. In Lakhs)	As at 31.03.2016 (Rs. In Lakhs)
NOTE - 20		
COST OF FOOD AND BEVERAGE AND SUPPLIES CONSUMED		
A. FOOD & BEVERAGES		
Opening Stock	65.00	53.78
Add : Purchases	434.42	503.99
	499.42	557.77
Less : Closing Stock	65.60	65.00
(A)	433.82	492.77
B. STORES & SUPPLIES		
Opening Stock	119.33	131.31
Add : Purchases	210.17	200.86
	329.50	332.17
Less : Closing Stock	123.34	119.33
(B)	206.16	212.84
TOTAL (A+B)	639.98	705.61
NOTE - 21		
EMPLOYEE BENEFIT EXPENSES		
(a) Salaries and Allowances	1,072.63	1,024.15
(b) Company's Contribution to Provident Fund and other Funds	59.95	54.47
(c) Gratuity, Bonus, Medical, Recruitment and Training	152.86	142.13
(d) Staff Welfare	3.24	2.27
TOTAL	1,288.68	1,223.02
NOTE - 22		
OPERATING EXPENSES		
(a) Hire Charges of Lighting	11.26	9.87
(b) Power, Fuel, Light and Water Charges	428.92	502.44
(c) Repairs and Maintenance		
1) Repairs To Building	104.63	118.89
2) Repairs To Machinery	101.68	83.10
(d) Laundry Expenses	112.79	114.21
(e) Freight Expenses	5.78	5.44
(f) Band, Music, Decoration and Horticulture	117.28	116.47
TOTAL	882.34	950.42
NOTE - 23		
FINANCE COST		
(a) Interest - Others	--	10.45
(b) Bank Charges and Commission	35.46	24.20
TOTAL	35.46	34.65

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2017

PARTICULARS	As at 31.03.2017 (Rs. In Lakhs)	As at 31.03.2016 (Rs. In Lakhs)
NOTE - 24		
ADMINISTRATION AND OTHER EXPENSES		
(a) Other Repairs and Maintenance	83.66	71.74
(b) Security Expenses	83.56	85.87
(c) Postage and Telephone	14.62	14.85
(d) Advertising and Sales Promotion	158.79	177.10
(e) Legal and Consultancy Fees	119.16	180.31
(f) Insurance	29.36	32.97
(g) Director Sitting Fees	4.10	5.20
(h) Auditor Remuneration		
1) Audit Fees	5.45	5.45
2) Tax Audit Fees	1.65	1.65
3) Other Capacity	0.30	0.30
4) Out Of Pocket Expenses	0.79	0.67
(i) Rent, Rates and Taxes	38.94	220.84
(j) Travelling and Conveyance	112.68	106.06
(k) Miscellaneous Expenses	52.19	50.96
(l) Bad Debts Written Off	7.74	--
(m) Commission	225.00	235.59
(n) Contribution towards CSR (Refer Note No.41)	35.38	29.05
TOTAL	973.37	1,218.61
NOTE - 25		
TAX EXPENSE		
(a) Current Tax	908.03	886.86
(b) Deferred Tax	(2.57)	22.14
(c) Earlier Year Tax	5.66	1.78
TOTAL	911.12	910.78

26. Earnings Per Share:

a) Before Exceptional Item and Deferred Tax effect thereon:

PARTICULARS	As at 31st March 2017 (Rs. In Lakhs)	As at 31st March 2016 (Rs. In Lakhs)
Net Profit / (Loss) before exceptional items and deferred tax thereon	1,681.73	1,405.24
Less: Preference dividend (including dividend distribution Tax)	631.88	631.87
Amount available for equity shareholders	1,049.85	773.37
Weighted average number of shares	160.00	160.00
E.P.S. (basic and diluted)	6.56	4.83

b) After Exceptional Item and Deferred Tax effect thereon:

PARTICULARS	As at 31st March 2017 (Rs. In Lakhs)	As at 31st March 2016 (Rs. In Lakhs)
Net Profit / (Loss) after exceptional items and deferred tax thereon	1,681.73	1,405.24
Less: Preference dividend (including dividend distribution Tax)	631.88	631.87
Amount available for equity shareholders	1,049.85	773.37
Weighted average number of shares	160.00	160.00
E.P.S. (basic and diluted)	6.56	4.83

Note: Proposed preference dividend (including dividend distribution tax) which is subject to the approval of the shareholders in the ensuing Annual General Meeting is considered for calculation of EPS(Basic and Diluted).

27. Sundry Debtors include an amount of 124.60 Lakhs (Previous Year Rs.172.60 lakhs) due from companies in which one of the Director is common.

28. Components of deferred tax asset / (liabilities) are as under:

PARTICULARS	As at 31st March 2017 (Rs. In Lakhs)	As at 31st March 2016 (Rs. In Lakhs)
Depreciation	(441.88)	(446.53)
Gratuity	(0.86)	1.22
Total	(442.74)	(445.31)

29. Value of imports calculated on C.I.F. basis:

	PARTICULARS	As at 31st March 2017 (Rs. In Lakhs)	As at 31st March 2016 (Rs. In Lakhs)
i)	Components and Stores	11.69	7.80
ii)	Capital Goods	4.42	11.82
iii)	Capital Goods (Projects)	495.19	160.56

30. Expenditure in foreign currency: (on payment basis)

	PARTICULARS	As at 31st March 2017 (Rs. In Lakhs)	As at 31st March 2016 (Rs. In Lakhs)
i)	Foreign Travel	Nil	5.97
ii)	Sales Promotion Expenses / Advertisement/ Commission	32.77	36.70
iii)	Foreign Travel (projects)	6.02	Nil
iv)	Professional Fees (projects)	171.93	202.57

31. Value of raw material consumed:

PARTICULARS	As at 31st March 2017 (Rs. In Lakhs)		As at 31st March 2016 (Rs. In Lakhs)	
	Amount	%	Amount	%
A) Food & Beverage				
i) Imported (locally procured)	59.10	14	34.69	7
ii) Indigenous	374.72	86	458.08	93
Total	433.82	100	492.77	100
B) Stores, Supplies & Spare parts				
i) Imported	11.69	6	7.80	4
ii) Indigenous	194.47	94	205.04	96
Total	206.16	100	212.84	100

32. Earnings in Foreign Exchange:

PARTICULARS	As at 31st March 2017 (Rs. In Lakhs)	As at 31st March 2016 (Rs. In Lakhs)
Hotel Receipts (as reported by the company to the Department of Tourism, Govt. of India)	821.44	660.84

33. The estimated amount of contracts remaining to be executed on Capital Account and not provided for is Rs.7096.30 Lakhs (Previous Year 842.53 Lakhs).

34. Contingent Liabilities:

- a) Claims against the company not acknowledged as debt: 240.94 Lakhs (Previous year: 107.11 Lakhs)
- b) Other monies for which the Company is contingently liable:

PARTICULARS	As at 31st March 2017 (Rs. In Lakhs)	As at 31st March 2016 (Rs. In Lakhs)
(i) Disputed Expenditure Tax Liability	676.88	676.88
(ii) Bank Guarantee	105.73	43.00
(iii) Income Tax	32.86	22.09
(iv) Disputed ESIC claim	26.37	26.37
(v) Disputed Claims Others	169.09	98.94

35. The Company has not recognized any loss on impairment in respect of assets of the Company as required in terms of Accounting Standard 28 on "Impairment of assets", since in the opinion of the management the reduction in value of any assets, to the extent required, has already been provided for in the books.

36. Related Party Disclosures:

(A) Particulars of Subsidiary / Associate Companies

Name of the Related Party	Nature of Relationship
(i) Sociedade de Fomento Industrial Pvt. Ltd. (SFI)	Associate Company
(ii) Shelvona Riverside Rail Terminal Ltd (SRRT)	Associate Company
(iii) Infrastructure Logistics Pvt. Ltd. (ILPL)	Associate Company
(iv) Marmugao Maritima Limited (MML)	Associate Company
(v) Fomento Resources Pvt Ltd. (FRPL)	Associate Company

Fomento Resorts and Hotels Limited

(B) Key Management Personnel:

Name of the Related Party	Nature of Relationship
(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 – Mr. Akash Timblo

(D) Details of transactions relating to (A), (B) and (C) referred above:

Rs.in lakhs

Particulars	Associates				Key Management Personnel	Relative of Key Management Personnel
	SFI	ILPL	MML	FRPL		
Sale of Services (Room, Food, Beverages and other services)	190.38 <i>151.77</i>	1.14 <i>3.53</i>	-- --	1.45 <i>7.97</i>	-- --	-- --
Remuneration	-- --	-- --	-- --	-- --	71.77 <i>82.15</i>	13.86 <i>13.86</i>
Sharing of expenses (Net)	55.13 <i>55.74</i>	14.69 <i>10.25</i>	-- --	1.02 <i>1.02</i>	-- --	-- --
Interest	-- --	-- --	-- --	539.00 <i>118.02</i>	-- --	-- --
Loan Repaid / (Taken) (Net)	-- --	-- --	-- --	5500 <i>1500</i>	-- --	-- --
Outstanding current account balance receivable / (payable)	50.25 <i>97.94</i>	5.52 <i>3.53</i>	74.67 <i>74.67</i>	3.01 <i>10.54</i>	-- --	-- --

The figures in *italic* represent previous year's figures.

37. Details of Gratuity Plan :

Amount recognised in Balance Sheet

PARTICULARS	As at 31st March 2017 (Rs. In Lakhs)	As at 31st March 2016 (Rs. In Lakhs)
Present Value of Funded Obligations	(278.20)	(270.65)
Fair Value of Plan Assets	280.69	267.13
Net Asset/ (Liability) recognised in the Balance Sheet	2.49	(3.52)

Expenses recognised in the profit and loss Account

PARTICULARS	As at 31st March 2017 (Rs. In Lakhs)	As at 31st March 2016 (Rs. In Lakhs)
Current Service Cost	11.20	10.47
Interest on Defined Benefit Obligation	19.97	26.84
Expected Return on Plan Assets	(19.71)	(18.49)
Net Actuarial (Gains) / Losses	(17.47)	(73.56)
Net Expenses / (Income) recognised in the Profit and Loss Account	(6.01)	(54.74)

Reconciliation of Defined Benefit Obligation

PARTICULARS	As at 31st March 2017 (Rs. In Lakhs)	As at 31st March 2016 (Rs. In Lakhs)
Opening Defined benefit Obligation	270.65	337.19
Current Service Cost	11.20	10.47
Interest Cost	19.97	26.84
Actuarial (Gains) / Losses	1.47	(80.28)
Benefits Paid	(25.09)	(23.57)
Closing Defined Benefit Obligation	278.20	270.65

Reconciliation of Fair Value of Plan Assets

PARTICULARS	As at 31st March 2017 (Rs. In Lakhs)	As at 31st March 2016 (Rs. In Lakhs)
Opening Fair Value of Plan Assets	267.13	232.26
Expected Return on Plan Assets	19.71	18.49
Actuarial Gains / (Losses)	18.94	(6.73)
Contributions by Employer	--	46.67
Benefits Paid	(25.09)	(23.57)
Closing Fair Value of Plan Assets	280.69	267.12

Description of Plan Assets

PARTICULARS	As at 31st March 2017 (%)	As at 31st March 2016 (%)
Insurer Managed Fund	100%	100%

Summary of Actuarial Assumptions

PARTICULARS	As at 31st March 2017 (%)	As at 31st March 2016 (%)
Discount rate	6.57%	7.38%
Expected rate of return on Assets	6.57%	7.38%
Salary Escalation Rate	8.00%	8.00%

38. 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 or outstanding on the same.

39. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below :

Particulars	SBN	Other Denomination	Total
Closing Cash in hand as on 08.11.16	15.83	2.29	18.12
(+) Permitted Receipts	--	73.29	73.29
(+) Bank withdrawals	--	10.78	10.78
(-) Permitted Payments	--	(22.26)	(22.26)
(-) Bank Deposits	(15.83)	(59.50)	(75.33)
Closing Cash in hand as on 30.12.16	--	4.60	4.60

Note: For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016

40. Capital Work in Progress shown under the head fixed assets, mainly comprises of assets under construction, unallocated expenditure, borrowing cost related to new projects under construction, in the state of Goa and Maharashtra.

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 funds were made available through a charitable trust “Fomento Educational and Charitable Society” (previous year through “Ashiyana” trust) and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

42. The ministry of company affairs (MCA) vide its notification in official gazette dated 16th Feb 2015 notified the Indian AS (Ind AS) applicable to certain class of companies. Ind AS would replace the existing Indian GAAP prescribed u/s 133 of the companies Act, 2013 read with Rules of companies (Accounts) Rules, 2014. For Fomento Resorts And Hotels Limited, Ind AS would be applicable for the accounting periods beginning April 1st, 2017 with transition date of April 1st, 2016.

43. The final dividend on equity and Preference shares is recorded as liability on the date of approval by the shareholders.

44. Balances in Trade receivables, Trade payables and Loans and advances are subject to confirmation.

45. Previous year’s figures have been regrouped and rearranged wherever necessary to conform to the current year’s figures.

Notes 1 to 45 form an integral part of the Balance Sheet and Statement of Profit and Loss.

As per our report of even date

For **H. K. Aparanji**

Chartered Accountants

Firm Reg. No 000199S

Mohan B. Pyati

Partner

MNO. 203120

Place : Margao-Goa

Date : 30th May, 2017

For and on behalf of Board of Directors

Anju Timblo

Managing Director & CEO

Asmeeta Matondkar

Company Secretary

Place : Vainguinim Beach- Goa

Date : 30th May, 2017

Jamshed Delvadavala

Independent Director

M. A. Hajare

Chief Financial Officer

CASH FLOW STATEMENT

PARTICULARS	As at 31st March 2017 (Rs. In Lakhs)	As at 31st March 2016 (Rs. In Lakhs)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Net Loss) before tax and Extra-ordinary items	2592.85	2316.03
Adjustment for:		
Depreciation	269.74	320.62
Interest/Dividend received	(446)	(523.26)
Interest and financial charges	35.46	34.65
(Profit) /Loss on Sale of Asset	(0.90)	(5.33)
Operating Profit before working Capital changes	2451.15	2142.71
Adjustments for		
Trade and Other Receivables	(298.42)	(428.66)
Inventories	(4.61)	0.76
Loans and Advances and Trade payable	(300.89)	489.90
Cash generated from Operations	1,847.23	2,204.71
Income Tax paid (Net)	(790.90)	(757.42)
Cash flow before Extra-ordinary items	1,056.33	1,447.29
Net Cash from Operating Activities (A)	1,056.33	1,447.29
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(6,406.58)	(5,032.55)
Sale/ Discard of Fixed Assets	11.66	46.98
Interest received	394.36	618.11
Dividend Received	0.02	--
Net Cash used for Investing Activities (B)	(6,000.54)	(4,367.46)
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings	5,985.10	1506.22
Interest / Bank Charges	(35.46)	(34.65)
Dividend Paid	(685.00)	(244.00)
Tax on Dividend	(139.45)	(49.67)
Preference Shares Issued	--	--
Net Cash from Financing Activities (C)	5,125.19	1,177.90
Net increase in Cash and Cash equivalents (A+B+C)	180.98	(1,742.27)
Opening Balance of Cash and Cash equivalents	5,760.38	7,502.65
Closing Cash and Cash equivalents	5,941.36	5,760.38

Notes:

1. Cash and Cash Equivalents represent cash and bank balance.
2. Additions to fixed assets are stated inclusive of movements of capital work-in-progress between the beginning and end of the year and treated as part of investing activities.
3. Previous year's figures have been re-grouped and re-arranged wherever necessary to conform to the current year's figures

For and on behalf of Board of Directors

ANJU TIMBLO
Managing Director & CEO

ASMEETAMATONDKAR
Company Secretary

JAMSHED DELVADAVALA
Independent Director

M.A. HAJARE
Chief Financial Officer

Place: Vainguinim Beach- Goa.
Date: 30th May, 2017

AUDITOR'S CERTIFICATE

“This is the Cash Flow Statement referred to in our report of even date”.

For **H.K. APARANJI**
CHARTERED ACCOUNTANTS
Firm Regd. No. 000199S

MOHAN B. PYATI
PARTNER
M. No. 203120

Place : Margao-Goa
Date : 30th May, 2017

FOMENTO RESORTS AND HOTELS LIMITED

CIN:L55101GA1971PLC000113

Unit: Cidade de Goa, Vainguinim Beach, Goa – 403 004, India

Tel.: 91(832) 2454545 Fax: 91(832) 2454541/42

Email: shareholders@cidadedegoa.com website: www.cidadedegoa.com

NOTICE

NOTICE is hereby given that the Forty Sixth Annual General Meeting of the members of Fomento Resorts and Hotels Limited “Company” will be held at the Registered Office of the Company at Cidade de Goa, Vainguinim Beach, Goa – 403004 on Friday, September 29, 2017 at 4:00 p.m., to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31 March, 2017, 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 declare dividend on the Cumulative, Non-Convertible, Redeemable, Preference Shares for the financial year ended 31st March, 2017.
3. To declare dividend on the Equity shares for the financial year ended 31st March, 2017.
4. To re-appoint Mr. Auduth Timblo (DIN00181589), who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors and fix their remuneration:

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Sudha Suresh Pai and Associates, Chartered Accountants (Firm Registration No. 118006W) , be and is hereby appointed as Statutory Auditors of the Company, in place of retiring Auditors M/s. H. K. Aparanji, Chartered Accountants (Firm Registration No. 000199S), to hold office for a period of five (5) years commencing from the conclusion of this 46th Annual General Meeting (AGM) till the conclusion of the 51st Annual General Meeting of the Company (subject to ratification of their appointment by the members at every AGM if so required under the Act) at such remuneration and out-of-pocket expenses, as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors.”

SPECIAL BUSINESS:

6. To approve arrangements/transactions with Related Parties.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment, statutory modification(s) or re-enactment to any of the foregoing), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to ratify/approve all existing contracts/arrangements/agreements/transactions and to enter into new, further contracts /arrangements/agreements/transactions (including any modifications, alterations or amendments thereto), in the ordinary course of business and on arm’s length basis with Sociedade de Fomento Industrial Pvt. Ltd.(SFI) , Fomento Media, a unit of Sociedade de Fomento Industrial Pvt. Ltd., Infrastructure Logistics Pvt. Ltd.(ILPL), Fomento Resources Pvt. Ltd.(FRPL) and Bhaangar Bhuin Pvt. Ltd. ‘Related Parties’ within the meaning of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, not exceeding the maximum value of transactions (exclusive of applicable taxes) which are more particularly enumerated in the table herein below:

Fomento Resorts and Hotels Limited

Sr. No.	Nature of Transactions as per Section 188 of the Companies Act, 2013	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, 2017 to March 31, 2020	Sociedade de Fomento Industrial Pvt. Ltd.	975.00	--
2	Rent for office sharing of property	April 01, 2017 to January 31, 2019		72.50	--
3	Purchase/Availing of Support Services i.e. Purchase of newspapers, publishing advertisements.	April 01, 2017 to March 31, 2020	Fomento Media, a unit of Sociedade de Fomento Industrial Pvt. Ltd.	--	12.00
4	Sale/Rendering of Services such as Rooms, Food & Beverage and other related services	April 01, 2017 to March 31, 2020	Infrastructure Logistics Pvt. Ltd.	431.00	--
5	Rent for office sharing of property	April 01, 2017 to January 31, 2019		21.00	--
6	Sale/Rendering of Services such as Rooms, Food & Beverage and other related services	April 01, 2017 to March 31, 2020	Fomento Resources Pvt. Ltd.	1104.00	
7	Purchase/Availing of Support Services i.e. Purchase of newspapers, publishing advertisements.	April 01, 2017 to March 31, 2020	Bhaangar Bhui Pvt. Ltd.	--	10.00

“RESOLVED FURTHER THATthe Board of Directors of the Company and/or a Committee thereof, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings 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.”

By Order of the Board
For **Fomento Resorts and Hotels Limited**

Date: May 30, 2017
Place: Vainguinim Beach – Goa

Asmeeta Matondkar
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY OR PROXIES SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business is annexed hereto.

3. Body corporate can be represented at the meeting by such person(s) as are authorised. Copies of resolution under Section 113 of the Companies Act, 2013, authorising such person(s) to attend the meeting should be forwarded to the Company prior to the meeting.
4. The Register of Members and the Share Transfer Register will remain closed for a period of 7 days from Friday, August 4, 2017 to Thursday, August 10, 2017 (both days inclusive).

The dividend recommended by the Board, if approved by the shareholders at the 46th Annual General Meeting, shall be paid to those members whose names appear on the Register of Members during the aforesaid period.

5. 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 2016-17 the Company had transferred the unclaimed or unpaid dividend for the year ended March 31, 2009 to IEPF. Unclaimed dividend in respect of the Financial year ended March 31, 2010 will be due for transfer to Investor Education and Protection Fund on October 25, 2017. Members who have not encashed the dividend warrant(s) so far for the earlier years are requested to claim their unclaimed dividend, if any by writing to the registered office of the Company/Share Transfer Agent immediately. Once the amount is transferred by the Company to IEPF, no claim thereof shall lie against the Company.
6. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective demat account will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of Bank particulars or bank mandates. Such changes are to be advised only to the depository participant of the members. Members holding shares in physical form and desirous of either registering Bank particulars or changing Bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
7. Members are requested to send their queries, if any on the operations of the Company, to reach the Company Secretary at the Company's registered office, at least 7 days before the meeting, so that the information can be compiled in advance.
8. Members holding shares in electronic form are requested to register their email addresses through their Depository Participant where they are holding their Demat accounts for sending the future communication by email. Members holding shares in physical form may register their email addresses through the Registrar and Share Transfer Agents, giving reference of Folio Number.
9. Details under Regulation 36(3) of SEBI Listing Regulations, 2015 in respect of the Director seeking re-appointment at the Annual General Meeting, forms integral part of the notice.
10. Electronic copy of the Annual Report for the year 2016-17 is being sent to all the members whose email id's are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the year 2016-17 are being sent in the permitted mode.
11. The Notice of the 46th Annual General Meeting of the Company and instructions for e-voting, along with attendance slip and proxy forms is being sent to all the members by electronic mode, whose email ID's are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email ID's physical copies of the aforementioned documents are being sent in the permitted mode.

12. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 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 on resolutions proposed to be considered at the 46th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting (AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

- IV. The remote e-voting period commences on 26th September, 2017 at 09:00 am and ends on 28th September, 2017 at 5:00 pm. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
- A. **In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participants(s)] :**
- (i) Open email and open the attached PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (iii) Click on “Shareholder” – “Login”
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select “EVEN” of “FOMENTO RESORTS AND HOTELS LIMITED”.
 - (viii) Now you are ready for “remote e-voting” as “Cast Vote” page opens.
 - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - (xi) Once voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cs.sbhat@gmail.com with a copy marked to evoting@nsdl.co.in
- B. **In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s)] :**
- (i) Initial password is provided separately along with the notice of the Annual General Meeting(AGM) :

<u>EVEN (Remote e-voting Event Number)</u>	<u>USERID</u>	<u>PASSWORD/PIN</u>
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 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsd.com or call on toll free no.: 1800-222-990 or Call Ms. Pallavi Mhatre ; Contact No. 022 24994545.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. 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 of September 22, 2017.
- X. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. September 22, 2017 may obtain the login ID and password by sending a request

at evoting@nsdl.co.in or to the Company at shareholders@cidadedegoa.com or Registrar and Transfer Agent at investor@bigshareonline.com

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting (AGM).
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Shivaram Bhat, Practising Company Secretary (Membership No. 10454) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the Annual General Meeting, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared along with the report of the Scrutinizer shall be placed on the Company’s website www.cidadedegoa.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately communicated to BSE Limited.

EXPLANATORY STATEMENT

Item No. 5

Though not mandatory, this statement is provided for reference.

M/s. H. K. Aparanji, Chartered Accountants were first appointed as Statutory Auditors at Company’s Extra Ordinary General Meeting held on October 15, 1974. In terms of their appointment made at the 43rd AGM held on September 27, 2014, they are holding office of the Auditors upto the conclusion of the forthcoming 46th AGM.

As per second proviso to Section 139(2) of the Companies Act, 2013 (‘the Act’), a transition period of three years from the commencement of the Act is provided to appoint a new auditor when the existing auditor’s firm has completed two terms of five consecutive years or more.

Accordingly, as per the said requirements of the Act, M/s. Sudha Suresh Pai and Associates, Chartered Accountants are proposed to be appointed as Auditors for a period of 5 years, commencing from the conclusion of the 46th AGM till the conclusion of the 51st AGM, subject to ratification by members at every AGM.

M/s. Sudha Suresh Pai and Associates, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits laid down by or under the authority of the Act. They have further confirmed the firm is eligible for appointment and is not disqualified for appointment under Section 141 of the Companies Act, 2013, the Chartered Accountants Act, 1949 and the rules and regulations made thereunder and that they satisfy other criteria as provided under Section 141 of the Act.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 5 of the Notice.

The Board recommends the resolution set forth in Item No. 5 of the Notice for approval of the Members.

Item No. 6

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, incase 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's 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 FRPL for borrowing unsecured inter-corporate borrowings for the purpose of the ongoing hotel projects of the Company. However, the value of transactions with FRPL in respect of Financial Year 2016-17 (for the services rendered such as sale of rooms/F & B and related services and renting of office premises) and also the estimated value of transactions for the next financial year onwards is likely to exceed 10% of the annual consolidated turnover of the Company, based on the audited financial statements for the year ended March 31, 2017 .

Similarly, the value of transactions with Sociedade de Fomento Industrial Pvt. Ltd., Infrastructure Logistics Pvt. Ltd, Fomento Media, a unit of Sociedade 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, 2017.

Sociedade de Fomento Industrial Pvt. Ltd, Fomento Media: unit of Sociedade de Fomento Industrial Pvt. Ltd, Infrastructure Logistics Pvt. Ltd, Fomento Resources Private Limited and Bhaangar Bhuiin 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"> • Mr. Auduth Timblo, Director and Non Executive Chairman is: <ul style="list-style-type: none"> (i) Chairman and Managing Director of Sociedade de Fomento Industrial Pvt. Ltd. (ii) holds more than 2% equity shares in SFI • Mrs. Anju Timblo, Managing Director & CEO of the Company is wife of Mr. Auduth Timblo. • Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo & Mrs. Anju Timblo.
4	Duration of Contract	<ul style="list-style-type: none"> • 36 months for rendering and availing services; and • 22 months for providing part premises on leave and license basis
5	Whether the transaction/s have been approved by the Audit Committee and the Board of Directors	Yes

Sr. No.	Nature of Disclosure	Disclosure
6	Nature, material terms, monetary value and particulars of the contract or arrangement	<p><u>Sale/Rendering of Services (Room nights/F&B and related services)</u> The transactions with Sociedade de Fomento Industrial Pvt. Ltd will be in the ordinary course of business for sale of rooms nights, food & beverages and other related services. In addition, common recurring expenses incurred are also allocated to SFI 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 transactions/ business proposed shall not exceed Rs. 975.00 lakhs over a period of 36 months.</p> <p>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>Receipt of Rent for office sharing</u> The other transaction/s involves giving part premises of the Company's office space on rent on leave and license basis for a period of 22 months not exceeding Rs. 72.50 lakhs.</p> <p><u>Availing Support Services</u> The Company avails support services of purchasing/subscribing newspapers named "The Goan" a local English newspaper from Fomento media, unit of SFI 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 Rs. 12 lakhs for a period of 36 months.</p>
7	Any other relevant information or fact important for the members to make decision on the proposed transaction/s	<p>SFI provides sizeable revenue to the business considering the volume of business received by the Company.</p> <p>The Company has an unutilized office space available which it has given on rent to SFI as your Company is earning revenue from the said Company. The Company also avails support services of availing newspapers as per occupancy to cater to the needs of its in house guest from Fomento Media, a unit of SFI.</p>

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"> 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 is holding a substantial shareholding in Infrastructure Logistics Pvt. Ltd Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo & Mrs. Anju Timblo and brother of Mr. Ambar Timblo.

Fomento Resorts and Hotels Limited

Sr. No.	Nature of Disclosure	Disclosure
4	Duration of Contract	<ul style="list-style-type: none"> • 36 months for rendering and availing services; and • 22 months for providing part premises on leave and license basis
5	Whether the transaction/s have been approved by the Audit Committee and the Board of Directors	Yes
6	Nature, material terms, monetary value and particulars of the contract or arrangement	<p><u>Sale/Rendering of Services (Room nights/F&B and related services)</u> The transactions with Infrastructure Logistics Pvt. Ltd will be in the ordinary course of business for sale of rooms nights, food & 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.</p> <p>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> <p><u>Receipt of Rent for office sharing</u> The other transaction/s involves giving part premises of the Company's office space on rent on leave and license basis for a period of 22 months not exceeding Rs. 21.00 lakhs.</p>
7	Any other relevant information or fact important for the members to make decision on the proposed transaction/s	<p>ILPL provides sizeable revenue to the business considering the volume of business received by the Company.</p> <p>The Company has an unutilized office space available which it has given on rent to ILPL as your Company is earning revenue from the said Company.</p>

3. Fomento Resources Pvt. Ltd. (FRPL)

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"> • Mr. Ambar Timblo, Managing Director of Fomento Resources Pvt. Ltd. is <ul style="list-style-type: none"> (i) a son of Mr. Auduth Timblo, Director & Non Executive Chairman of the Company and Mrs. Anju Timblo, Managing Director & CEO of the Company. (ii) Mr. Auduth Timblo and Mrs. Anju Timblo are also shareholders of Fomento Resources Private Limited. • Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo & Mrs. Anju Timblo and brother of Mr. Ambar Timblo.

Sr. No.	Nature of Disclosure	Disclosure
4	Duration of Contract	36 months for rendering services
5	Whether the transaction/s have been approved by the Audit Committee and the Board of Directors	Yes
6	Nature, material terms, monetary value and particulars of the contract or arrangement	<p><u>Sale/Rendering of Services (Room nights/F&B and related services)</u> The transactions with Fomento Resources Pvt. Ltd will be in the ordinary course of business for sale of rooms nights, food & beverages and other related services. In addition, common recurring expenses incurred are also allocated to FRPL 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. 1104.00 lakhs for a period of 36 months.</p> <p>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/s	<p>Fomento Resources Pvt. Ltd. (FRPL) provides sizeable revenue to the business considering the volume of business received by the Company.</p> <p>The Company has a sanction to avail unsecured inter corporate borrowings not exceeding an amount of Rs. 150 crores at simple interest not exceeding @ 11% per year from FRPL for the purpose of funding the ongoing 2 hotel projects of the Company.</p> <p>The Company has also sought an approval of shareholders 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>

4. Bhaangar Bhuin Pvt. Ltd.

Sr. No.	Nature of Disclosure	Disclosure
1	Name of Related Party	Bhaangar Bhuin 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"> • Mr. Auduth Timblo, is a Director of Bhaangar Bhuin Private Limited <ul style="list-style-type: none"> (i) Mr. Auduth Timblo, Director & Non Executive Chairman of the Company holds more than 2% shares in Bhaangar Bhuin Private Limited (ii) Mrs. Anju Timblo, Managing Director & CEO of the Company is wife of Mr. Auduth Timblo.

Fomento Resorts and Hotels Limited

Sr. No.	Nature of Disclosure	Disclosure
		<ul style="list-style-type: none">• Mr. Akash Timblo, employee of the Company is son of Mr. Auduth Timblo & Mrs. Anju Timblo
4	Duration of Contract	36 months for availing services
5	Whether the transaction/s have been approved by the Audit Committee and the Board of Directors	Yes
6	Nature, material terms, monetary value and particulars of the contract or arrangement	The transaction/s with Bhaangar Bhui Private Limited is for availing support services such as subscribing newspapers and publishing advertisements in the newspapers and shall be for a period of 36 months not exceeding total value of business of Rs. 10 lakhs.
7	Any other relevant information or fact important for the members to make decision on the proposed transaction/s	The Company proposes to avail support services to purchasing/subscribing to newspaper named “Bhaangar Bhui” a local konkani newspaper depending upon the occupancy to cater to the requests of the in-house guests and also to publish advertisements on need basis.

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 at Item No. 6 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 all the related parties shall abstain from voting on the resolution.

By Order of the Board
For **Fomento Resorts and Hotels Limited**

Date: May 30, 2017
Place: Vainguinim Beach – Goa

Asmeeta Matondkar
Company Secretary

Annexure

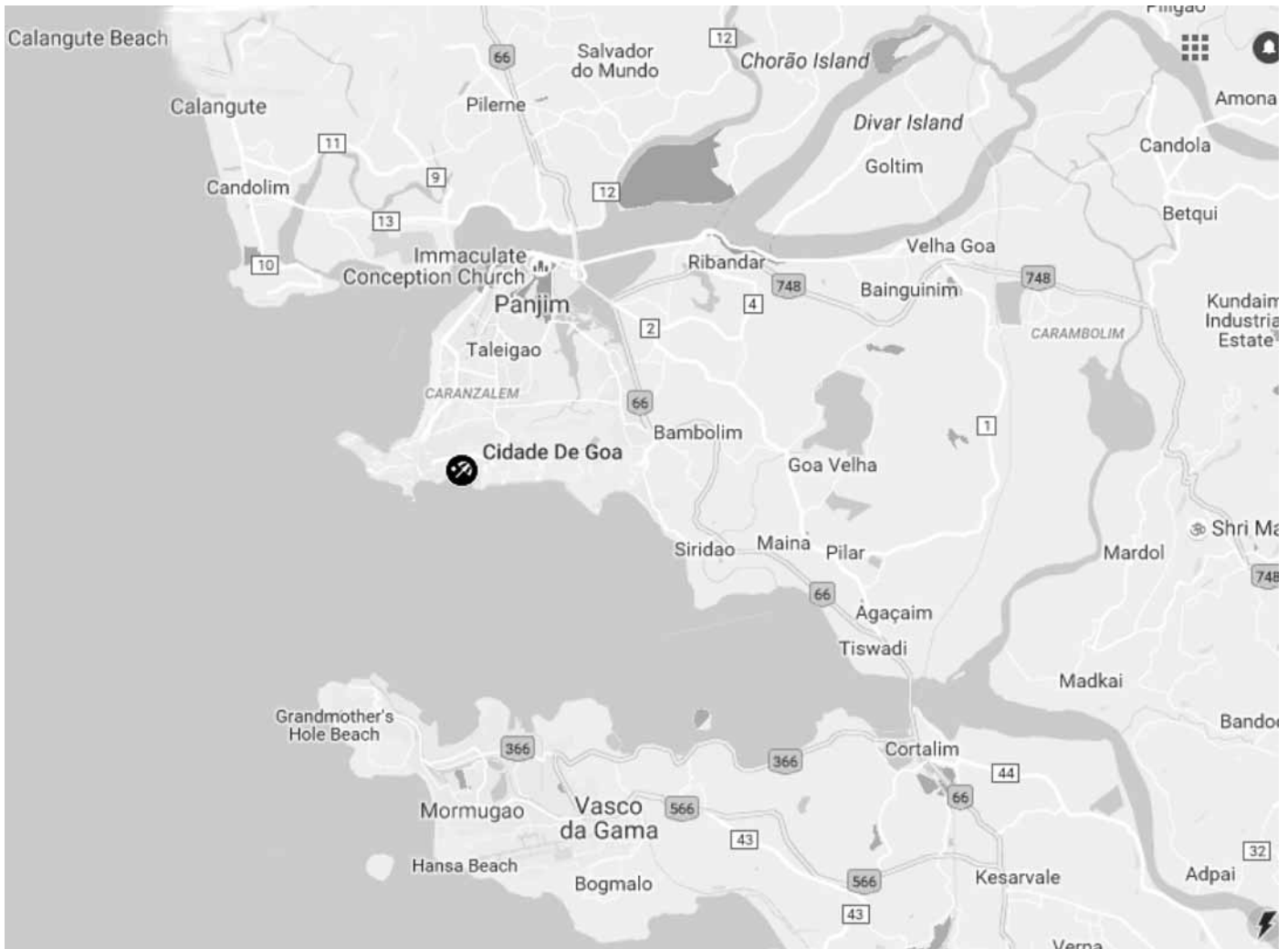
Details of directors seeking re-appointment pursuant to Regulation 36(3) of SEBI Listing Regulations 2015) are as provided below:

Name of the Director	Mr. Auduth Timblo
Date of Birth	01/03/1949
Date of appointment	20/07/1976
Qualification	B.E., L.L.B.
Expertise	Industrialist
Name of other companies in which he holds Directorship as on 31st March, 2017 (excluding foreign & section 25 companies)	1. Fomento Engineering and Constructions Pvt. Ltd.
	2. Sociedade de Fomento Industrial Pvt. Ltd
	3. Fomento Barges Pvt. Ltd.
	4. Shelvona Riverside Railway Terminal Limited
	5. Mormugao Maritima Limited
	6. Fomar Pvt. Ltd.
	7. Fomento Green and Waste Management Services Pvt. Ltd.
	8. Bhaangar Bhuin Pvt. Ltd.
Chairman/Member of the Audit Committee as on 31st March, 2017 of other companies in which he is Director	Nil
Chairman/Member of the Shareholders/ Investors Grievance Committee as on 31st March, 2017 of other companies in which he is Director	Nil
Chairman/Member of the Remuneration Committee as on 31st March, 2017 of other companies in which he is Director	Nil
Shareholding in the Company	21,12,139 Shares

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ROUTE MAP FOR THE AGM VENUE

Address: Fomento Resorts and Hotels Limited.
Cidade de Goa, Vainguinim Beach, Goa - 403 004.



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PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

FOMENTO RESORTS AND HOTELS LIMITED

CIN: L55101GA1971PLC000113

Unit: Cidade de Goa, Vainguinim Beach, Goa – 403 004, India

Tel.: 91(832) 2454545 Fax: 91(832) 2454541/42

Email: shareholders@cidadedegoa.com website: www.cidadedegoa.com

Name of the member(s):
Registered address:
E-mail Id:
Folio No/Client Id:
DPID:

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

1. Name _____ Address: _____ E-mail Id: _____ Signature: _____ or failing him
2. Name _____ Address: _____ E-mail Id: _____ Signature: _____ or failing him
3. Name _____ Address: _____ E-mail Id: _____ Signature: _____ or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46th Annual General Meeting of the company, to be held on Friday, the 29th day of September, 2017 at 4:00 p.m at Cidade de Goa, Vainguinim Beach, Goa – 403004 and at any adjournment thereof in respect of such resolutions as are indicated below:

* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolutions	Optional *	
		For	Against
Ordinary Business			
1	To receive, consider and adopt the audited Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow together with the reports of the Board of Directors and Auditors thereon for the year ended March 31, 2017.		
2	To declare dividend on the Cumulative, Non-Convertible, Redeemable, Preference Shares for the financial year ended 31 st March, 2017.		
3	To declare dividend on the Equity shares for the financial year ended 31st March, 2017.		
4	To re-appoint Mr. Auduth Timblo holding (DIN 00181589), who retires by rotation, as a Director of the Company.		
5	To appoint M/s. Sudha Suresh Pai, Chartered Accountants having Registration No. (118006W) as Statutory Auditors and authorise the Board to fix their remuneration.		
Special Business			
6	To approve arrangements/transactions with Related Parties.		

Signed this _____ day of _____, 2017

Signature of shareholder

Affix
Revenue
Stamp

Signature of First Proxy Holder

Signature of Second Proxy Holder

Signature of Third Proxy Holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting

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.cidadedegoa.com**