To,
The Corporate Relationship Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

February 11, 2019

Dear Sir/Madam,

Sub: Disclosure pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015

Ref: Security code: BSE- 503831

The Company in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations, 2015”) hereby discloses that the Company has executed a Hotel Operating Agreement on 11th February, 2019 with the Indian Hotels Company Limited

The details of the aforesaid disclosure is set out in the attached Annexure 1.

May we request you to take the information on record.

Thanking you,

Yours faithfully,

For FOMENTO RESORTS AND HOTELS LIMITED

ASMEETA MATONDKAR
COMPANY SECRETARY

Encl: as above
Annexure 1 to the Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015, in respect of the Hotel Operating Agreement

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars that Need to be Provided</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Agreement with Company</td>
<td>Hotel Operating Agreement (&quot;HOA&quot;)</td>
</tr>
<tr>
<td>1</td>
<td>Name of entity(ies) with whom agreement is signed</td>
<td>The Indian Hotels Company Limited</td>
</tr>
<tr>
<td>2</td>
<td>Area of agreement</td>
<td>The State of Goa</td>
</tr>
<tr>
<td>3</td>
<td>Domestic/ international;</td>
<td>Domestic</td>
</tr>
<tr>
<td>4</td>
<td>Share of exchange ratio/JV ratio;</td>
<td>Not applicable</td>
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</tbody>
</table>
| 5       | Scope of business operation of the agreement                     | The Company currently owns and operates an existing 5 star hotel i.e. Cidade de Goa consisting of 207 keys ("Existing Hotel").

The Company is developing a new hotel block of 299 keys and associated facilities, as a 5 star hotel catering to the meetings, incentives, conferences, and exhibitions ("MICE") segment ("New Hotel").

Both the Existing Hotel and the New Hotel (collectively "Hotels") are situated in the State of Goa.
FRHL shall complete the construction, furnishing and equipping of the New Hotel in accordance with the terms of the HOA including in accordance with the brand standards of IHCL, local regulations prior to the New Hotel opening date or any other mutually decided timeline. The New Hotel shall be opened for guest use upon completion of all its facilities in accordance with the Agreement.

The Hotel Operating Agreement contemplates that IHCL will carry out the operations and marketing of the Hotels under its brands.

The term of the agreement is for a period of 22 calendar years from the date on which either of the Hotels is first open to the public for guest room occupancy under operation by IHCL ("Opening Date of the Hotel"). The Agreement also contemplates that it can be renewed for a further period of 10
Under the agreement, IHCL will also be providing technical services to FRHL including providing (i) recommendations in relation to operating equipments and operating supplies, landscaping, kitchen, back of the house etc. property management information system, (ii) training of staff; (iii) commissioning and hand over support; (iv) attending regular development meetings.

IHCL will also be conducting certain pre-opening activities for FRHL before the opening date of the New Hotel so that the New Hotel can be operated in accordance with brand standards of IHCL on and following the Opening Date of the Hotel. These activities shall include but shall not be limited to (i) providing assistance in recruitment and hiring of hotel employees (ii) arranging for concession contracts for commercial space at the Hotel etc.
| 6. | Details of consideration paid/received in the agreement | (I) IHCL shall be entitled to a fee of Rs. 25,00,000 (Rupees Twenty Five Lakhs Only) as a Technical Services and Development Assistance Fee in respect of assistance provided to FRHL. The aforesaid sum shall be paid within fifteen days of IHCL raising an invoice in the following phases:

- a. 20% on the date of execution of the agreement.
- b. 20% within six months of the date of execution of the agreement.
- c. 20% on the date the New Hotel is first open to the public for guest room occupancy under IHCL brand.
- d. 20% within eighteen months of the date of execution of the agreement.
- e. 20% on Completion of the Property Improvement Plan for the Existing Hotel.

The aforesaid payments are exclusive of all applicable taxes.

FRHL is responsible to pay to IHCL all out of pocket travel, boarding and lodging expenses
incurred by the employees of IHCL or its Affiliates in performing their duties and responsibilities set out in the Schedule VII and Schedule III of the Agreement as may be mutually agreed between the Parties.

(II) IHCL is also entitled to payment of base management fees, incentive fees, marketing services fees and reimbursement of certain operating costs, in terms of the HOA.

The Agreement contemplates that the fees in (II) above will be paid on an annual basis, at the end of the financial year to which they pertain.

| 7. | Significant terms and conditions of the agreement | Apart from the terms set out in serial nos 5 and 6 above, the HOA contains various customary clauses forming part of hotel operating agreements such as requirement to provide working capital, meeting of brand standards, supervision and control of hotel operations by the operator (IHCL), |
| 8. | Whether the acquisition would fall within related party transactions and whether the promoter/promoter group/group companies have any interest in the entity of being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms length”; | Not Applicable |
| 9. | Size of entity(ies); | As per the last Audited balance sheet of the Company, i.e. for the year ending 31 March 2018, the Turnover of the Company was Rs 62.65 crores and its profit after tax was |
Rs 8.23 crores. Similarly, as per the Audited standalone balance sheet of IHCL, i.e. for the year ending 31 March 2018, the Turnover of the IHCL was Rs 2639.34 crores and its profit after tax was Rs 147.77 crores.

10. Rationale and benefit expected

The proposed arrangement would inter alia allow the Company to utilize the reservation engines of IHCL which have a global reach and also benefit from a much better recognized brand having worldwide recognition and proven operational efficiency and hence increase its bookings and profitability.

The Company anticipates that the agreement will result in increased revenues and profitability.

In connection with the technical services and development assistance to be provided by IHCL under the agreement, the Company
acknowledges that there are certain improvements required in the Hotels to enable them to meet the brand standards as required by IHCL.

IHCL has wide experience and expertise in providing technical services and development assistance including providing of services for pre-opening activities till opening of the Hotels and also for meeting of its brand standards by the Hotels.

IHCL being the proposed operator of the Hotels will be best placed for carrying out the aforesaid activities in an efficacious manner and thereby leading to savings of time, costs and for meeting the required brand standards.

| B | In the event that such arrangement is called off for any reason, the same shall be disclosed along with the reasons for calling off the proposal | Not Applicable |