

FRHL/BSE/059/2020

July 30, 2020

To,
Corporate Relationship Department,
BSE Limited,
P.J. Towers,
Dalal Street, Fort,
Mumbai- 400 001

Sub: Outcome of the Board Meeting and Audited Financial Results for the quarter and year ended 31st March, 2020

Dear Sir,

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform as under;

1. The Board of Directors at its meeting held today, considered and approved the Audited Financial Results for the quarter and year ended 31st March, 2020. The copy of Audited Financial Results along with Auditor's report are enclosed herewith.
2. The Board of Directors of the Company has not recommended any dividend for the Financial Year 2019-2020.
3. Pursuant to Regulation 33 (3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, we hereby declare that the Auditors of the Company have issued their reports with unmodified (i.e. unqualified) opinion on the Financial Statements for the year ended 31st March, 2020.
4. Board also approved seeking approval of the shareholders by the Company pursuant to Section 62(3) of the Companies Act, 2013 at the ensuing Annual General Meeting.

The Board Meeting commenced at 12:02 p.m. and concluded at 2:30 p.m.

Kindly take the same on record and disseminate the information.

Thanking you,

Yours faithfully,

For FOMENTO RESORTS AND HOTELS LIMITED


ASMEETA MATONDKAR
COMPANY SECRETARY

Fomento Resorts and Hotels Limited

- Unit : Cidade de Goa, Vainguinim Beach, Goa 403 004 INDIA.
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CIN: L55101GA1971PLC000113 | GSTIN : 30AAACF2845D1ZB



INDEPENDENT AUDITOR'S REPORT ON ANNUAL FINANCIAL RESULTS OF FOMENTO RESORTS AND HOTELS LIMITED PURSUANT TO REGULATION 33 OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015

**TO THE BOARD OF DIRECTORS
FOMENTO RESORTS AND HOTELS LIMITED**

Opinion

We have audited the accompanying annual financial results of **Fomento Resorts and Hotels Limited** (hereinafter referred to as the "Company") for the year ended 31 March, 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- a) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the annual financial results.

Emphasis of matter

We draw attention to Note 6 to the annual financial results, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management.

Our opinion is not modified in respect of the above matter.



Management's and Board of director's Responsibility for the Annual Financial Results

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principle laid down in Indian Accounting Standard prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

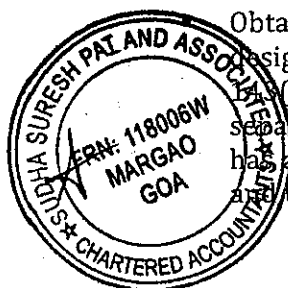
Auditor's Responsibilities for the Audit of the Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial results, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The annual financial results include the results for the quarter ended 31 March, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figure up to the third quarter of the current financial year which were subject to limited review by us.

For Sudha Suresh Pai and Associates

Chartered Accountants

Firm Registration No. 118006W



Sudha Pai

Sudha Pai T

Partner

Membership No. 102232

UDIN 20102232AAAABU6044

Place: Margao, Goa

Date: July 30, 2020

Statement of Audited Financial Results for the quarter and year ended March 31, 2020

(Rs in Lakhs unless stated otherwise)

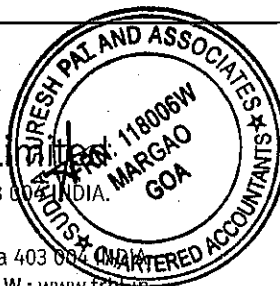
Sr. No	Particulars	Quarter Ended			Year Ended	
		March 31, 2020	Dec 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		Audited (Refer Note 4 below)	Unaudited	Audited (Refer Note 4 below)	Audited	Audited
I Revenue						
1 Revenue from Operations	2,345.01	2,147.60	2,160.97	7,127.43	6,754.55	
2 Other Income	38.19	31.52	91.72	183.37	221.57	
Total Revenue	2,383.20	2,179.12	2,252.69	7,310.80	6,976.12	
II Expenses						
1 Cost of food, beverages and supplies consumed	303.59	259.44	261.26	961.33	915.00	
2 Employee Benefit expense	577.05	433.07	380.11	1,834.01	1,435.97	
3 Finance Costs (See note 7)	(23.42)	107.62	262.85	445.14	725.39	
4 Depreciation and Amortisation Expenses	351.47	61.85	56.99	533.87	230.46	
5 Other Expenses	819.50	655.18	579.96	2,552.06	2,062.67	
Total Expenses	2,028.19	1,517.16	1,541.17	6,326.41	5,369.49	
III Profit / (loss) before tax	355.01	661.96	711.52	984.39	1,606.63	
IV Tax (Expense) / Credit						
1 Current Tax	7.07	(128.66)	(263.33)	(172.34)	(687.92)	
2 Deferred Tax	(317.28)	2.57	(8.28)	(314.08)	(0.71)	
3 Earlier Year Taxes	(2.40)	-	(0.03)	(11.67)	(0.03)	
V Profit / (loss) for the period	42.40	535.87	439.88	486.30	917.97	
VI Other Comprehensive Income						
1 (i) Items that will not be reclassified to profit or loss - remeasurement of post employment benefits	(91.43)	7.52	(15.98)	(68.87)	16.93	
(ii) Income tax related to the Items that will not be reclassified to profit or loss	26.62	(2.19)	4.65	20.05	(4.93)	
2 (i) Items that will be reclassified to profit or loss	-	-	-	-	-	
(ii) Income tax related to the Items that will be reclassified to profit or loss	-	-	-	-	-	
VII Total Comprehensive Income	(22.41)	541.20	428.55	437.48	929.97	
VIII Paid up share capital (Face value of Rs.10 each)	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	
IX Reserves excluding revaluation reserves				10,864.19	9,108.61	
X Earnings Per Share (Amount in Rs) (See note 5 below)						
1 Basic	0.27	3.35	2.75	3.04	5.74	
2 Diluted	0.27	3.35	2.75	3.04	5.74	

See accompanying notes to Financial Results

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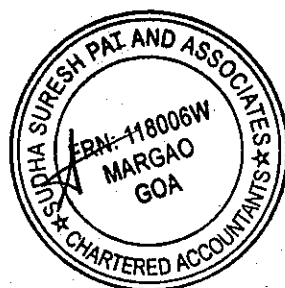


Angshu Bho
FOMENTO RESORTS AND HOTELS LTD

Statement of Assets and Liabilities

(Rs. In Lakhs)

Particulars	March 31, 2020	March 31, 2019
I Assets		
1 Non-Current Assets		
(a) Property, Plant and Equipment	53,842.79	3,348.69
(b) Capital Work-in-Progress	7,741.24	35,164.66
(c) Other Intangible Assets	137.03	71.28
(d) Financial Assets		
(i) Investments	0.10	0.10
(ii) Other Financial Assets	20.38	123.51
(e) Other Non-Current assets	1,145.64	1,578.97
Total Non Current Assets	62,887.18	40,287.21
2 Current Assets		
(a) Inventories	266.33	195.07
(b) Financial Assets		
(i) Trade Receivables	471.17	685.28
(ii) Cash and Cash Equivalents	2,243.96	256.29
(iii) Bank Balances other than (ii) above	877.47	2,890.44
(iv) Other Financial Assets	0.84	107.96
(c) Other Current Assets	988.99	226.41
Total Current Assets	4,848.76	4,361.45
Total Assets	67,735.94	44,648.66
II Equity and Liabilities		
1 Equity		
(a) Equity Share Capital	1,600.00	1,600.00
(b) Other Equity	10,864.19	9,108.61
Total Equity	12,464.19	10,708.61
2 Non-Current Liabilities		
(a) Financial Liability		
(i) Borrowings	49,321.11	29,337.24
(ii) Other Financial Liabilities	-	12.61
(b) Employee Benefit Obligation	85.53	4.80
(c) Deferred Tax Liabilities (net)	660.68	366.66
(d) Other Non-Current Liabilities	1,411.93	886.47
Total Non-Current Liabilities	51,479.25	30,607.78
3 Current Liabilities		
(a) Financial Liabilities		
(i) Trade Payables		
a) Dues of Micro Enterprises and Small Enterprises	8.79	8.00
b) Dues of Creditors other than Micro Enterprises and Small Enterprises	1,717.04	1,034.92
(ii) Other Financial Liabilities	1,620.75	1,688.37
(b) Other Current Liabilities	445.92	458.06
(c) Current Tax Liabilities (Net)	-	142.92
Total Current Liabilities	3,792.50	3,332.27
Total Liabilities	55,271.75	33,940.05
Total Equity and Liabilities	67,735.94	44,648.66

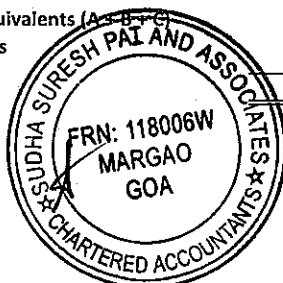


Continuation Sheet No.:

CASH FLOW STATEMENT

(Rs. In Lakhs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Net Loss) before tax	984.39	1,606.63
Adjustment for:		
Depreciation and amortisation expenses	533.87	230.46
Interest/Dividend earned	(60.47)	(111.46)
Sundry Balances written back	(50.00)	(15.90)
Excess Provision written back	(31.70)	-
Bad Debts Written off	1.96	13.90
Dividend on Redeemable cumulative preference shares	-	631.88
Provision for Employee Benefits	101.83	61.72
Interest on Debts and Borrowings	342.10	-
Interest on financial liabilities	49.72	54.12
Net (gain)/loss on disposal of Property, Plant and Equipment	(6.82)	(33.95)
Cash Operating Profit before working Capital changes	1,864.88	2,437.40
Adjustments for (increase)/ decrease in operating assets:		
Inventories	(71.26)	6.67
Trade Receivables	212.15	(300.43)
Other financial assets	10.98	6.81
Other Assets	(871.93)	(123.02)
Adjustments for increase/ (decrease) in operating liabilities:		
Trade and Other financial liabilities	134.00	282.22
Other liabilities	(17.60)	119.84
Cash generated from Operating Activities	1,261.22	2,429.49
Income Tax paid (Net)	(302.22)	(545.00)
Cash flow before Extra-ordinary items	959.00	1,884.49
Net Cash from Operating Activities (A)	959.00	1,884.49
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment including capital work in progress and capital advances	(23,174.63)	(12,007.98)
Increase/ (decrease) in trade payables and other current liability attributable to purchase of property, plant and equipment including capital work in progress	1,419.82	836.88
Proceeds from disposal of property, plant and equipment	29.11	45.55
Bank Balances other than cash and cash equivalents	2,190.67	(69.00)
Interest received	82.02	164.19
Dividend Received	0.02	0.02
Net Cash used for Investing Activities (B)	(19,452.99)	(11,030.33)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(599.04)	(50.00)
Proceeds from long-term borrowings	22,297.60	10,154.84
Interest & other borrowing costs	(1,023.70)	(686.00)
Dividend & Tax on Dividends (Including unclaimed dividend)	(193.20)	(299.45)
Net Cash from Financing Activities (C)	20,481.66	9,119.39
Net Increase/ (Decrease) In Cash and cash equivalents (A+B+C)	1,987.67	(26.45)
Opening Balance of Cash and Cash equivalents	256.29	282.74
Closing Cash and Cash equivalents	2,243.96	256.29



Continuation Sheet No.:

Notes:

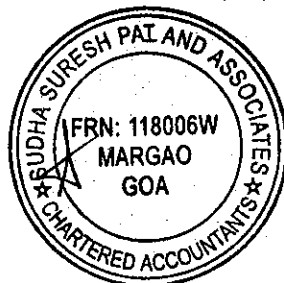
- 1 These financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder ("Ind AS") and the other accounting principles generally accepted in India, to the extent applicable.
- 2 Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standard), Amendment Rules, 2019. The impact of adoption of Ind AS 116 on the financial results was insignificant.
- 3 Disclosure of segmentwise information as per Ind AS is not applicable as hoteliering is the Company's only business segment.
- 4 The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of the full financial year and unaudited published figures in respect of the financial results upto the third quarter of the respective financial year.
- 5 Earnings Per Share are not annualised except for the year ended March 31, 2020 and March 31, 2019.
- 6 On March 11, 2020, the World Health Organization declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020. The lockdowns and restrictions imposed on various activities due to COVID-19 pandemic have posed challenges to the businesses of the Company.

Lockdown guidelines issued by Central / State government mandated closure of hotel operations and cessation of air traffic and other forms of public transport. This has resulted in shutdown of Company's units – Cidade De Goa and Taj Hotel and Convention Centre, Goa.

The hotels of the Company were shut down entirely during the lockdown phase as the Company was not part of Government denominated essential services. The Company expects the hotel to become operational in a phased manner after the lockdown is lifted and the confidence of travelers is restored. The Company expects the demand for its service to pick up albeit at a slower pace once lockdown is lifted and recovery in business to be driven by domestic leisure tourism, staycations, domestic business travel and limited international travel.

The Company has assessed the potential impact of Covid-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, supply chain and demand for its services. Various steps have been initiated by the Company in consultation with the Hotel Operator – Indian Hotels Company Limited (IHCL) to manage the working capital requirements in this COVID-19 scenario so as to manage costs within the reserves available with the Company. The Company has judiciously invoked the Force Majeure clauses for reliefs during the lock down period, wherever necessary.

The company has also assessed the potential impact of Covid-19 on the carrying value of property, plant & equipment, intangible assets, trade receivables, inventories, and other current assets appearing in the financial statement of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these financial statement has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. Based on aforesaid assessment, management believes that as per estimates made conservatively, the Company will continue as a going concern. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.



Continuation Sheet No.:

- 7 Based on the Company's current evaluation of its operations, performance and expected cash flows, the redemption of the Redeemable Cumulative Preference Shares (RCPS) has been deferred to January 10, 2033. Considering the aforementioned and that the preference dividend rate being less than the applicable market rate after the removal of Dividend Distribution Tax vide Finance Act, 2020, the management has assessed the fair value of the RCPS as at March 31, 2020. Further, the Board of Directors have decided not to recommend any dividend on RCPS for the year ended March 31, 2020. In view of the above, the provision for preference dividend accounted under the head 'finance cost' till the quarter ended December 31, 2019 amounting to Rs. 393.75 Lakhs has been reversed which resulted into negative finance cost for the quarter ended March 31, 2020 being the difference between the audited finance cost in respect of full financial year and unaudited finance cost in respect of the financial results published upto the third quarter of the financial year i.e. December 31, 2019.
- 8 The Company entered into Hotel Operating Agreement ('HOA') dated February 11, 2019 with The Indian Hotels Company Limited ('IHCL' / 'Operator') to manage and operate its Hotels namely Cidade De Goa ('CDG') and Taj Hotel and Convention Centre, Goa ('THCCG') for a period of 22 years. Accordingly, IHCL undertook the management and operation of CDG w.e.f. April 01, 2019 and THCCG w.e.f. March 01, 2020.
- 9 The Company has started operations of its New Hotel under the brand name "Taj Hotel and Convention Centre, Goa" on March 01, 2020 and accordingly Building, Plant and Machinery, Furniture and Fittings and Other Assets have been capitalized in the books of account.
- 10 The figures for the previous year/period(s) have been regrouped and/or rearranged, wherever necessary.
- 11 The above audited financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its Meeting held on July 30, 2020.

For and on Behalf of the
Board of Directors of Fomento Resorts and Hotels Ltd.



Anju Timblo
Anju Timblo
Managing Director and CEO
DIN: 00181722

Place: Vainguinim Beach, Goa

Date: July 30, 2020

