

FRHL/BSE/061/2020

July 31, 2020

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

**Subject: Intimation/Disclosure of event under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Impact of COVID-19**  
**Scrip Code: 503831**

**Ref: SEBI circular no. SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated May 20, 2020**

Dear Madam/Sir,

This is in furtherance to our earlier disclosure on the subject dated June 2, 2020, an update relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the operations of the Company and the current status is as below:

On March 11, 2020 the World Health Organization declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat that is pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple lockdown's across the country. From March 22, 2020, and extended till August 31, 2020. The Lockdowns and restrictions imposed on various activities due to COVID-19 pandemic have post challenges to the business 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.

In compliance with the directions issued by Central Government/State Government/ Municipal Corporations with a view to prevent and contain the spread of COVID-19 Pandemic, the Company has temporarily shut down both its units– Taj Hotel & Convention Centre, Goa and Cidade de Goa – IHCL SeleQtions since the announcement of lockdown in March 2020 to ensure the safety and wellbeing of all its employees, customers and all stakeholders.

Both the hotels of the Company are managed & operated by Indian Hotels Company Ltd. (IHCL) hereinafter referred to as “the Operator” pursuant to the Hotels Operating Agreement dated February 11, 2020 effective from April 1, 2020.

We have further evaluated the impact of COVID-19 pandemic which is mentioned hereunder:

## **Fomento Resorts and Hotels Limited**

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Sr. No.	Particulars	Disclosures
1.	Impact of the COVID-19 Pandemic on the business	<p>Both hotels are non operational w.e.f March 22, 2020. There has been no occupancy since the closures of both the hotels and is expected to continue for next few months. Confirmed business on books was cancelled.</p> <p>However, the administration offices of the Company were in operation with staggered timing and maintaining social distancing norms w.e.f. May 4, 2020 ensuring compliance of guidelines as prescribed by Government of India, Ministry of Home Affairs for Work Places.</p>
2.	Ability to maintain operations including the hotel unit/office spaces functioning and close down	<p>Currently there is adequate staffing to maintain the assets so as to enable us reopen without hiccups when the time is right. The Associates are extensively being trained on safety, hygiene and physical distancing norms to ensure guests' well-being and delight.</p>
3.	Schedule, if any, for restarting the operations	<p>Based on the experience from markets in China and our own research, the Company expects a recovery in business to be driven by domestic tourism, staycations, domestic business travel and a limited internationals travel. We believe that the Brands of IHCL have tremendous trust with the customers and we have a clear SOPs for ensuing health &amp; safety for our Guests.</p> <p>However, the pattern of recovery is dependent upon regulatory guidance and revival of air travel and customer confidence in travel and also will depend on Government (Central &amp; State) norms.</p> <p>At this stage, the duration for which these restrictions will remain in place is uncertain and also the entry/exit norms and quarantine norms of various states for travelers are different hence, resumption of full-fledged operations will depend upon directives issued by the Central/State Government.</p>
4.	Steps taken to ensure smooth functioning of operations.	<p>Amid crisis, the safety of our employees has been our top priority and the Company has taken several measures to ensure their well-being. The safety of essential employees who are now required to step out for work is being ensured and they been mandated to use protective gears and take all safety precautions. All employees have been instructed to download the Arogya Setu App launched by the Government of India. Further the daily roster is prepared and duties are allocated. There has been sanitizing and temperature checks, safe distancing and transportation facilities for the employees has been provided.</p>

		<p>The Company is taking all necessary measures to contain costs, rationalize resources taking initiatives to uplift revenue. The company has put in place as series of short term and long term measures to optimize cost across all the lines namely Raw Material, manpower, Power &amp; Fuel, Corporate Overheads and other costs.</p> <p>Preparation of daily roster and allocation of duties accordingly, sanitizing &amp; temperature checks, safe distancing and transportation facilities for the employees</p> <p>Cash conservation measures have also included deferral of Capex &amp; Renovations unless absolutely required.</p>
5.	Estimation of the future impact of the COVID-19 on its operations	<p>Since the situation is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty, the future impact on its operations. We believe there will be impact in sales, volumes, revenues and profitability for Q1 and Q2 FY21 as our operations are presently shut and will gradually ramp up only after the resolution of the pandemic. However, the Company is confident about adapting to the changing business environment and respond suitably to fulfill the needs of its customers.</p> <p>Considering the faith in IHCL Brands as also the iconic Taj brand, the Company does not foresee any challenge in assuming its position soon, post the revival of the economy. However, revenues are expected to be softer in the initial phase for some time after the lifting of the lockdown mainly due to lower occupancies &amp; limited F&amp;B off take arising out of reduced business leisure travel.</p> <p>The impact of COVID-19 may be different from that estimated on the date of submission of this disclosure and the Management will continue to closely monitor any future material changes.</p>
6.	Details of impact of COVID-19 on the Listed entity	<p>The Company has assessed the potential impact of COVID-19 on its capital and financial resources; profitability; liquidity. The credit rating agency Acuite Ratings &amp; Research Limited, has confirmed a long term rating of "ACUITE BBB" assigned to the Company on August 7, 2019 for Rs.400 Crores Bank Facilities (Bank Loan) upto September 30, 2020 and expressed outlook is Stable.</p> <p>As per the data available in March'20, there has been a loss of confirmed business since the hotel Industry has been the worst affected in the Covid scenario. The hotels of the Company have been shut since the last week of March'20.</p>

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6.1	Capital and Financial Resources	The Company has borrowed only for the purpose of construction and completion of its new Hotel project and the working capital is being met out its internal cash accruals and reserves.
6.2	Profitability	The estimated EBITDA subject to the planned opening of the hotels has already been mentioned in point No. 1 above.
6.3	Liquidity Positions	The company is meeting its fixed costs (after taking cost reduction measures) of maintain its hotels to protect the company's assets, from its retained cash reserves of the PY's profits.
6.4	Ability to service debt and other financing arrangements	The company has availed moratorium facility from its Bankers for the period from April'20 to August'20 as per the relief provided by the RBI.
6.5	Internal Financial Reporting and Control	The Company has in place an adequate risk control framework to address the situation arising under the COVID-19 pandemic.
6.6	Demand for Products/Services	Goa Market specifies on demand: Amidst the crisis is a silver lining that is an influx of Domestic demand for Goa which has always been popular destination and will gain a big momentum once travel falls back with new norm. The most immediate leisure travel will be for Drivecations into Goa from source markets like Mumbai, Bangalore, Pune etc.
7	Existing contract/agreements where non-fulfillment of the obligations by any party will have significant impact on the Company's business	The Company is well positioned to fulfill its obligations and existing contracts/arrangements. The Company has judiciously invoked Force Majeure provision during the lock down period.
8	safety protocols	In accordance with the norms laid down by World Health Organization (WHO), Food Safety and Standards Authority of India (FSSAI) and the Government of India the Operator has partnered with leading organizations and experts in the domain of safety and hygiene to share best practices and to source high-grade protective equipment and disinfectants for use at its hotels Keeping the well-being of IHCL's guests and associates at heart,
9	Other relevant material updates about the Company's business:	As discussed above, the company intends to resume business as soon as the governmental restriction on travel is lifted and the air transport resumes normalcy. There have been sufficient enquiries after the lock down has been lifted to derive that the Hotel Industry in general and in Goa would pick up.

The financial statements submitted under Regulation 33 of the LODR, also specifies the impact of the COVID-19 pandemic on the company, to the extent possible. In developing the

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assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the company shall use internal and external sources of information and based on current estimates, the impact of the global health pandemic may be different from that estimated and the Company would continue to closely monitor any material changes to future economic conditions.

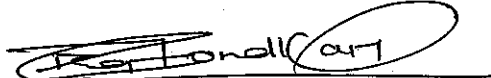
This update is dynamic and will change as the situation changes, which is not in the control of the Company.

As the situation is evolving and the environment in which the Company operates is very unprecedented & uncertain, the business operations are highly influenced by the decision taken by the Central Government/State Government/ Municipal Corporations from time to time, in case there is any material change in the business from what is reported here will be updated in the quarterly notes to financial statements submitted to the Exchange .

Kindly take the aforesaid information on record and disseminate.

Thanking you,

Yours faithfully,  
For **Fomento Resorts and Hotels Limited**



**Asmeeta Matondkar**  
Company Secretary