

**FOMENTO RESORTS AND HOTELS LIMITED**

**Corporate Identification Number (CIN)** - U55101GA1971PLC000113  
**Registered Office:** Unit: Cidade de Goa, Vainguinim Beach, Goa, 403004.  
**Email:** shareholders@frhl.in; **Website:** www.frhl.in.  
**Tel.:** 0832-2454545; **Fax:** +0832-2454540/ 2454541/ 42

**NOTICE OF POSTAL BALLOT TO THE EQUITY SHAREHOLDERS**

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 AND RULE 20 AND 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, AS AMENDED.

**Dear Member(s),**

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”), read together with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, relating to passing of resolutions by Postal Ballot (hereinafter referred to as the “Postal Ballot Rules”), and pursuant to other applicable laws and regulations, if any, that Fomento Resorts and Hotels Limited (hereinafter referred to as “FRHL” or the “Company”) hereby seeks your approval by way of Special Resolution in respect of the following special businesses by means of Postal ballot or through e-voting (hereinafter referred to as “remote voting”).

The Explanatory Statement pursuant to Sections 102, 110 and other applicable provisions, if any, of the Act pertaining to the aforementioned resolutions setting out the material facts relating to the resolutions set out below is annexed hereto for your consideration.

The Board of Directors of the Company, at their meeting held on Thursday, April 21, 2022, appointed Mr. Shivaram Bhat, Practicing Company Secretary (ACS: A10454 and CP No. 7853), as the Scrutiniser for conducting the Postal Ballot and the e-voting process in a fair and transparent manner. Members have the option to vote either by Postal Ballot or through e-voting.

Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed prepaid self-addressed Business Reply Envelope. Postal Ballot Form, if sent by courier or by registered post or speed post at the expense of the Member(s), will also be accepted. The duly completed Postal Ballot Form should reach the Scrutiniser not later than 05:00 P.M. (IST) on Tuesday, May 31, 2022 to be eligible for being considered, failing which it will be strictly considered that no reply has been received from the Member.

The Company has engaged the services of National Securities Depository Limited (hereinafter referred to as “NSDL”) to provide e-voting facilities to members of the Company. It may be noted that e-voting is optional. In case a member has voted through e-voting facility, he/ she is not required to send the physical Postal Ballot Form. In case a member votes through e-voting as well as sends his/ her vote through physical vote, then the vote casted through e-voting shall only be considered and the voting through physical Postal Ballot shall be considered invalid by the Scrutiniser. The e-voting facility is available at the link <https://evoting.nsdl.com>. Please refer the instructions for e-voting given in the notes and instructions under the head “Instruction for E-voting”, which provides the manner in which e-voting is to be carried out. References to Postal Ballot(s) in this Postal Ballot Notice include votes received electronically.

After completion of the scrutiny, the Scrutiniser will submit his report to the Chairman, or any other person authorised by the Chairman in writing after verifying the votes casted through Postal Ballot and remote e-voting not later than 48 hours from the end of the voting period. The result will be announced by the Chairman of the Company or any other person authorised by the Chairman in writing at the Registered Office of the Company at Cidade de Goa, Vainguinim Beach, Goa, 403004 on submission of the report by the Scrutiniser. The results declared along with Scrutiniser’s report shall be placed on the Company’s website i.e., [www.frhl.in](http://www.frhl.in) and on the website of NSDL after the declaration of results.

**SPECIAL BUSINESS:****1. TO APPROVE THE ISSUANCE OF SHARES ON A PREFERENTIAL BASIS**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 42 read with Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to such approvals, consents, permissions and sanctions as may be necessary or required and subject to such conditions as may be imposed or prescribed while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent of the Members of the Company be and is hereby accorded to create, issue, offer and allot, 4,81,927 (Four Lakh Eighty One Thousand Nine Hundred and Twenty Seven) equity shares at a price of INR 166/- (Indian Rupees One Hundred and Sixty Six only) per equity share hereinafter referred to as (“**Preferential Allotment Price**”), aggregating to INR 7,99,99,882/- (Indian Rupees Seven Crore Ninety Nine Lakh Ninety Nine Thousand Eight Hundred and Eighty Two only) to Mrs. Anju Auduth Timblo and Mr. Auduth M. Timblo (collectively referred to as the “**Promoters**”) as per the details

listed below, on a preferential basis ("**Preferential Allotment**") on such terms and conditions as may be determined by the Board in accordance with the applicable laws."

Sr. No.	Name of the Promoter Shareholder	Equity shares to be issued (In Nos.)	Issue Price (In INR)	Consideration (In INR)
1	Mrs. Anju Auduth Timblo	3,96,363	166	6,57,96,258
2	Mr. Auduth M. Timblo	85,564	166	1,42,03,624

**"RESOLVED FURTHER THAT** without prejudice to the generality of the above resolution, the issue of the equity shares under the Preferential Allotment shall be subject to the following terms and conditions apart from others as prescribed under applicable laws:

- 100% of the Preferential Allotment Price shall be payable at the time of application to the equity shares;
- The equity shares be allotted in dematerialised form;
- The equity shares to be issued and allotted shall be fully paid up and rank pari-passu with the existing equity shares of the Company in all respects (including with respect to dividend and voting powers) from the date of allotment thereof and be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company.

**"RESOLVED FURTHER THAT** pursuant to the provisions of the Companies Act, 2013, the name of the Promoters be recorded for the issue of invitation to them for subscribing to the equity shares and a private placement offer letter in Form No. PAS-4 together with an application form be issued to the Promoters inviting them to subscribe to the equity shares, as per the draft tabled at the Meeting of the Board of Directors and duly initialed by the Chairman for the purpose of identification and consent of the Members of the Company is hereby accorded for inviting the Promoters to subscribe to the equity shares."

**"RESOLVED FURTHER THAT** the monies received by the Company from the Promoters for application of the equity shares pursuant to this preferential issue shall be kept by the Company in a separate bank account."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation, issuing clarification(s), resolving all question(s) of doubt effecting any modification(s) or changes to the foregoing (including modification to the terms of the issue), entering into contract(s), arrangement(s), agreement(s), document(s) (including for appointment of agency(ies), intermediary(ies) and advisors for the Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the equity shares and utilisation of proceeds of the issue, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorised to make necessary filings with the Regulatory Authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint Consultants, Professional Advisors and Legal Advisors to give effect to the aforesaid resolution."

## 2. TO APPROVE THE REDUCTION OF EQUITY SHARE CAPITAL OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Section 66 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules made thereunder and specifically the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 (the "**Act**"), read with Articles of Association of the Company and subject to (a) the approval of the equity shareholders and preference shareholder of the Company by way of Special Resolution through Postal Ballot for issuance of 4,81,927 (Four Lakh Eighty One Thousand Nine Hundred and Twenty Seven) equity shares to Mrs. Anju Auduth Timblo and Mr. Auduth M. Timblo through preferential issue; (b) confirmation by the Hon'ble National Company Law Tribunal ("**NCLT**"); and (c) such other approvals as may be required, and terms and conditions and modifications, if any, as may be prescribed by the NCLT and any other appropriate authority, as may be required or prescribed by such appropriate authority while granting approval or confirmation, and which may be agreed to by the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to reduce the issued, subscribed and paid-up equity share capital of the Company from INR 29,07,08,630/- (Indian Rupees Twenty Nine Crore Seven Lakh Eight Thousand Six Hundred and Thirty only) consisting of 2,90,70,863 (Two Crore Ninety Lakh Seventy Thousand Eight Hundred and Sixty Three) equity shares of face value INR 10/- (Indian Rupees Ten only) each to INR 28,54,56,870/- (Indian Rupees Twenty Eight Crore Fifty Four Lakh Fifty Six Thousand Eight Hundred and Seventy only) consisting of 2,85,45,687 (Two Crore Eighty Five Lakh Forty Five Thousand Six Hundred and Eighty Seven) equity shares of face value INR 10/- (Indian Rupees Ten only) each by cancelling and extinguishing, in aggregate, 1.81% (One point Eighty-One per cent.) of the total issued, subscribed and paid-up equity share capital of the Company, comprising 5,25,176 (Five Lakh Twenty Five Thousand One Hundred and Seventy Six) equity shares of face value INR 10/- (Indian Rupees Ten only) each, held by the Non-Promoter Shareholders of the Company i.e. the holders of the equity shares of the Company other than the Promoter Shareholders of the Company (the "**Non Promoter Shareholders**") to provide them with an exit opportunity (the "**Capital Reduction**")."

**"RESOLVED FURTHER THAT** upon the Capital Reduction being confirmed by the NCLT and becoming effective and operative, and/ or the receipt of such other approvals as may be required, the Non-Promoter Shareholders of the Company, as on the

“Record Date” (as defined below), shall be paid, for the equity shares held by them and, which are extinguished, a sum of INR 166/- (Indian Rupees One Hundred and Sixty Six only) per equity share, being the fair value of the equity shares of the Company determined on the basis of a valuation report issued by Desai Haribhakti & Co, Chartered Accountants, ICAI Firm Registration No. 323806E and as confirmed in the fairness opinion issued by Keynote Financial Services Limited, a SEBI registered Category- I Merchant Banker holding SEBI registration Number INM000003606”.

**“RESOLVED FURTHER THAT** after the Capital Reduction is confirmed by the NCLT, the Board shall fix a record date for the purpose of determining the names of the registered and beneficial holders of the shares (the **“Record Date”**)”

**“RESOLVED FURTHER THAT** upon the Capital Reduction being confirmed by the NCLT and becoming effective and operative, without any further act or deed by the equity shareholders (including but not limited to surrendering of share certificates with transfer forms and/ or sending appropriate instructions to the depository participants), 5,25,176 (Five Lakh Twenty Five Thousand One Hundred and Seventy Six) equity shares of face value INR 10/- (Indian Rupees Ten only) each held by the Non-Promoter Shareholders shall stand cancelled and extinguished and rendered invalid and as a result thereof the issued, subscribed and paid-up share capital of the Company shall also stand reduced to the extent of the Face value of the equity shares so extinguished.”

**“RESOLVED FURTHER THAT** the payment of consideration to the abovementioned Non-Promoter Shareholders shall be made within such number of days of the Record Date (as shall be decided by the Board) and subject to such approvals, if any, as may be required under the applicable law(s) or as may be directed by the NCLT, on the Capital Reduction becoming effective. All such payments will be made by electronic transfer of funds, cheque, pay order/warrant or demand draft, NEFT/ RTGS/ IMPS/ NACH/ Direct Credit (as the case maybe), after deduction of appropriate tax at source by the Company, if required”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to take all necessary steps and do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, expedient, usual or proper, in the best interest of the Company and its members for the purpose of giving effect to the Capital Reduction, including any directions for settling any question or doubt or difficulty whatsoever that may arise, or to any modification thereof, and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise, (including but not limited to):

1. To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, record and perfect all deeds, declarations, instruments, affidavits, applications, petitions, objections, notices and writings whatsoever as may be usual, necessary, proper or expedient and all type of documents, petitions, affidavits and applications in relation to the matter aforesaid.
2. To accept services of notices or other processes which may from time to time be issued in connection with the matter aforesaid.
3. To produce all documents or other evidence in connection with the matters aforesaid and all and any of other proceedings incidental thereto or arising thereat.
4. To make, prepare and submit any applications, petitions and appeals before the NCLT, National Company Law Appellate Tribunal (“NCLAT”) and/ or any Court of competent jurisdiction including the Supreme Court, Tribunal, or all relevant authorities and respond to the appropriate authorities and receive summons by such appropriate authorities.
5. To file applications/ petitions, and affidavits and/ or other legal documents with NCLT, NCLAT and/ or any Court of competent jurisdiction including the Supreme Court, Tribunal, or all relevant authorities, as may be required for confirmation of the Capital Reduction by such authorities, and/ or any other regulatory authorities for obtaining their approval.
6. To engage Advocates, Counsels and any other Consultants, Advisors, declare and file all pleadings, reports, and sign and issue vakalatnamas, public advertisements and notices, in connection with the matters aforesaid.
7. To make any alterations/ changes, modification or amendments in the application/ petition as may be expedient or necessary, including any alteration, modification or amendment required to be made for complying with the requirements or conditions imposed by the NCLT and/ or any other appropriate authorities, if any.
8. To prepare interim financial statements along with relevant annexures, schedules and other necessary supportings which will be certified by the Management of the Company and passing such accounting entries and/ or making such other adjustments in the books of accounts, as are considered necessary to give effect to the above resolution.
9. To deposit the monies to be paid to the Non-Promoter Shareholders in lieu of the cancellation and extinguishment of the equity shares of the Company held by such Non-Promoter Shareholders pursuant to the Capital Reduction in a Special Bank account to be opened with a Bank in this regard.
10. To discharge the payment due to the Non-Promoter Shareholders of the Company in lieu of the cancellation and extinguishment of the equity shares of the Company held by such Non-Promoter Shareholders pursuant to the Capital Reduction, in accordance with applicable laws, by payment through cheque, pay order/warrant or demand draft, NEFT/ RTGS/ IMPS/ NACH/ Direct Credit, after deduction of appropriate tax at source by the Company, if required.
11. To call for the bank account details of the Shareholders of the Company for discharging consideration.
12. To provide necessary declaration/ certificates in relation to Capital Reduction capturing the true and factual aspects of the Company.
13. To comply with all the necessary formalities, compliances and disclosures in this regard and to file the necessary forms or

documents with the relevant authorities, including the Registrar of Companies and the Regional Director.

14. To authenticate all the necessary documents as “certified copies” or in any other manner as may be required, including affixing the Common Seal of the Company on any documents in connection with the above resolution.
15. To do all such acts, deeds, matters and things as may be deemed necessary, expedient, usual or proper and to settle any question or difficulty that may arise; and
16. To delegate any or all the powers conferred upon it by this resolution to any Committee of Directors, any Director(s), and/ or Officer(s) of the Company”

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

Place: Goa  
Dated: April 21, 2022

**Sd/-**  
Asmeeta Matondkar  
Company Secretary

#### **Notes and Instructions:**

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (“Act”) read together with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and other applicable provisions, setting out the material facts relating to the proposed resolutions and the reasons thereof are annexed hereto and forms part of this Postal Ballot Notice.
2. All the relevant documents referred to in the Notice are open for inspection at the Registered Office of the Company, on all working days, except Saturdays, Sundays and public holidays, between 3:00 P.M. (IST) to 5:00 P.M. (IST) from the date of circulation of the Notice up to the date of closure of e-voting period and the date for receipt of Postal Ballot forms.
3. The Postal Ballot Notice is being sent to the Members whose names appear in the Register of Members/ List of Beneficial Owners as received from the National Securities Depository Limited (hereinafter referred to as “NSDL”) and Central Depository Services (India) Limited (hereinafter referred to as “CDSL”) as on Friday, April 15, 2022 (hereinafter referred to as the “Cut-off Date”). The Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding)/ the Company's Registrar and Share Transfer Agents (in case of physical shareholding). For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with a postage-prepaid self-addressed Business Reply Envelope. The Postal Ballot Notice is also available on the Company’s website i.e., [www.frhl.in](http://www.frhl.in).

Members are requested to register their email addresses through their Depository Participant where they are holding their demat accounts for sending the future communications by email. Members holding shares in physical form are requested to register their email addresses through the Registrar & Share Transfer Agent of the Company by giving reference of their Folio number.

Also, those shareholders whose email ids are not registered, the process for registration of email addresses is as under:

- (i) Members who have not registered their email address and in consequence could not receive the electronic copy of the Postal Ballot Notice, the shareholder can temporarily get their email address registered with Bigshare Services Private Limited “Company’s RTA”, by clicking the link [www.bigshareonline.com](http://www.bigshareonline.com) and follow the registration process as guided thereafter. Post successful registration of the email address, the Member shall send a written request by email to the Company’s RTA at [investor@bigshareonline.com](mailto:investor@bigshareonline.com) and would get soft copy of the Postal Ballot Notice. In case of any queries, Members may write to [investor@bigshareonline.com](mailto:investor@bigshareonline.com)
  - (ii) It is clarified that for permanent registration of email address, Members are requested to register their email addresses in respect of electronic holdings with their concerned Depository Participant(s) and in respect of physical holdings with Bigshare Services Private Limited, First Floor, Bharat Tin Works Building, Opposite Vasant Oasis, Makwana Road, Marol, Andheri (East) , Mumbai, Maharashtra – 400059, by submitting a request letter for registration of email address mentioning your name, folio number and attaching a self-attested copy of address proof/Aadhar card and self-attested copy of PAN card at [shareholders@frhl.in](mailto:shareholders@frhl.in) or to the RTA at [investor@bigshareonline.com](mailto:investor@bigshareonline.com).  
Those Members who have already registered their email address are requested to keep their email addresses validated with their Depository Participants / Bigshare Services Private Limited, the Company's RTA to enable servicing of notices/ documents/ Annual Reports electronically to their email address.
4. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the Cut-off Date i.e., Friday, April 15, 2022 which will only be considered to avail the facility of Postal Ballot and remote E-voting.
  5. Only those Members whose names are appearing in the Register of Members/ List of Beneficial Owners as on the Cut-off Date shall be eligible for casting their votes through Postal Ballot or remote e-voting. A person who is not a Member on the Cut-off Date should treat this Notice for information purpose only.
  6. Members desiring to exercise their vote by physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed, in the enclosed pre-paid self-addressed Business Reply Envelope to the Scrutiniser, so that it reaches the Scrutiniser not later than close of working hours i.e., 05:00 P.M. (IST) on Tuesday, May 31, 2022. Envelopes containing Postal Ballots, if sent by courier or registered post or speed post at the expense

of the Members, will also be accepted. Any postal ballot received after 05:00 P.M. (IST) on Tuesday, May 31, 2022 will be considered invalid.

7. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to **investor@bigshareonline.com**. The Registrar and Transfer Agent shall forward the same along with postage-prepaid self-addressed Business Reply Envelope to the Member. A Member cannot exercise his vote by proxy on Postal Ballot.
8. In compliance with the provisions of Section 108, 110 and other applicable provisions, if any of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 and SS-2, and any other applicable provisions, if any the Company is pleased to provide e-voting facility to its Members, to enable them to cast their votes electronically. The Company has engaged the services of NSDL to provide e-voting facility to its Members. The detailed procedure with respect to e-voting is mentioned in this Notice.
9. The Board of Directors at their meeting held on Thursday, April 21, 2022 appointed Mr. Shivaram Bhat, Practicing Company Secretary (ACS: 10454 and CP No. 7853) as the Scrutiniser for conducting the Postal Ballot and e-voting process in a fair and transparent manner and to receive and scrutinise the completed ballot papers from the Members, if dispatched. Mr. Shivaram Bhat has given his consent to act as the Scrutiniser and be available for the purpose of ascertaining the requisite majority.
10. The Scrutiniser will after the conclusion of voting, unblock the votes cast through e-voting in the presence of at least two witnesses, not in the employment of the Company and download the final report. Upon the completion of scrutiny of the votes, the Scrutiniser will submit his report to the Chairman, or any other person authorised by Chairman in writing who shall countersign the same and declare the result of the voting forthwith and the result of the Postal Ballot shall be declared on or before 05:00 P.M. (IST) on Thursday, June 2, 2022. The Scrutiniser's decision on the validity of votes casted through Postal Ballot and e-voting will be final.
11. The Results declared along with the Scrutiniser's Report shall be placed on the Company's website **www.frhl.in** and on the website of NSDL **www.evoting.nsd.com** immediately after the result is declared by the Chairman or any other person authorised by Chairman in writing. The results shall also be displayed at the Registered Office of the Company.
12. The Resolutions, if passed by the requisite majority through Postal Ballot, will be deemed to have been passed on the last date specified for remote e-voting i.e., Tuesday, May 31, 2022. Further, resolution passed by the Members through Postal Ballot and remote E-voting is deemed to have been passed effectively at a general meeting.
13. Institutional Shareholders / Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are requested to upload their Board Resolution / Power of Attorney/ Authority Letter by clicking on 'Upload Board Resolution/Authority Letter' displayed under 'e-Voting' tab on the screen or send a scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Authority letter, etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to **cs.sbhat@gmail.com** with a copy marked to **evoting@nsdl.co.in**.
14. Members may download the Notice from the Company's website at **www.frhl.in** or from NSDL's website at **www.evoting.nsd.com**.
15. The Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, votes cast through e-voting shall be treated as valid and votes cast through physical Postal Ballot Form will be treated as invalid, by the Scrutiniser.
16. The remote e-voting shall commence on Monday, May 2, 2022 at 09.00 A.M. (IST) and end on Tuesday, May 31, 2022 at 5.00 P.M. (IST). During this period, Members of the Company holding shares in physical or dematerialized form as on the Cut - Off Date may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

#### **Instructions for E-voting:**

#### **How do I vote electronically using NSDL e-Voting system?**





*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

#### **Step 1: Access to NSDL e-Voting system**

#### **A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting Service Provider i.e., NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>2. If you are not registered for <b>IDeAS</b> e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting Service Provider i.e., NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="400 952 884 1196" style="border: 1px solid black; padding: 5px; text-align: center;"> <p>NSDL Mobile App is available on</p> <p> App Store     Google Play</p> <div style="display: flex; justify-content: space-around;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi /Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of e-Voting Service Provider i.e., NSDL. Click on <b>NSDL</b> to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective <b>e-Voting Service Provider i.e., NSDL</b> where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</p> <p>Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or <b>e-Voting Service Provider i.e., NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period .</p>

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.*

4. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN 300*** and Client ID is 12***** then your user ID is IN 300***12*****)
b) For Members who hold shares in demat account CDSL.	16 Digit Beneficiary ID (For example if your Beneficiary ID is with 12***** then your user ID is 12*****)
b) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company (for example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***)

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on **www.evoting.nsdl.com**.
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on **www.evoting.nsdl.com**.
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.co.in** mentioning your demat account number/folio number, your PAN, your name, and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “**Login**” button.
9. After you click on the “**Login**” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutiniser by e-mail to **cs.sbhat@gmail.com** with a copy marked to **evoting@nsdl.co.in**.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on **www.evoting.nsdl.com** to reset the password.
3. In case of any queries, pertaining to e-voting you may refer the Frequently Asked Questions (FAQs) for Shareholders and remote e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com** or call at toll free no.: 1800 1020 990/ 1800 22 44 30 or send a request to **evoting@nsdl.co.in**. In case of any grievances connected with facility for voting by electronic means, please contact Ms. Pallavi Mhatre, Manager, National Securities Depository Limited, Trade World, A – Wing, Fourth Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 or call at toll free No. 1800 1020 990/1800 224 430 or **evoting@nsdl.co.in**



**Process for those shareholders whose email ids are not registered with the depositories for procuring user ID and password and registration of e-mail ids for e-voting for the resolutions set out in this Postal Ballot Notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **investor@bigshareonline.com** with a copy marked to **shareholders@frhl.in**.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, Client Master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **investor@bigshareonline.com** with a copy marked to **shareholders@frhl.in**. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e., Login method for e-Voting for Individual shareholders holding securities in demat mode**.
3. Alternatively, shareholder/members may send a request to **evoting@nsdl.co.in** for procuring User ID and password for e-voting by providing above mentioned documents.
4. Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“ACT”)

### ITEM NO 1: ISSUANCE OF SHARES ON A PREFERENTIAL BASIS

The Board of Directors of the Company at their meeting held on Thursday, April 21, 2022 had, subject to the approval of the Equity Shareholders and the Preference Shareholder of the Company and such other approvals as may be required, approved the issue of 4,81,927 (Four Lakh Eighty One Thousand Nine Hundred and Twenty Seven) equity shares to Mrs. Anju Auduth Timblo and Mr. Auduth M. Timblo (collectively referred to as the “Promoters”) on a preferential basis. The issuance of equity shares is proposed for undertaking renovation and upgradation of Cidade de Goa and to meet the corporate and working capital requirement of the Company.

The proposed issue and allotment of equity shares on a preferential basis shall be governed by the applicable provisions of the Companies Act, 2013 read with the applicable provisions of the rules made thereunder. Further, in terms of Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, certain disclosures are required to be made to the Members of the Company which forms part of this Explanatory Statement to the Notice.

The consent of the shareholders is being sought by a Special Resolution to enable the Board to issue equity shares on a preferential basis in accordance with the provisions of the Companies Act, 2013 and the rules made there under and any other applicable laws.

Pursuant to Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 the material facts and information concerned with and relevant to the issue of such shares to enable the shareholders understand the meaning, scope and implications of the items of business and to take decision thereon are listed herein below:

Sr. No.	Particulars	Terms
1	Objects of the Issue	The members are informed that the object of the issue of the equity shares by way of the proposed preferential offer is raising of INR 7,99,99,882/- (Indian Rupees Seven Crore Ninety Nine Lakh Ninety Nine Thousand Eight Hundred and Eighty Two only) for undertaking renovation and upgradation of Cidade de Goa and to meet the corporate and working capital requirement of the Company.
2	Total number of shares to be allotted	4,81,927 (Four Lakh Eighty One Thousand Nine Hundred and Twenty Seven) equity shares of face value of INR 10/- (Indian Rupees Ten only) each
3	Particulars of the offer including date of passing of Board resolution	4,81,927 (Four Lakh Eighty One Thousand Nine Hundred and Twenty Seven) equity shares having a face value of INR 10/- (Indian Rupees Ten only) each at a premium of INR 156/- (Indian Rupees One Hundred and Fifty Six only) per equity share aggregating to INR 7,99,99,882/- (Indian Rupees Seven Crore Ninety Nine Lakh Ninety Nine Thousand Eight Hundred and Eighty Two only) to be issued on any other terms and conditions as may be agreed between the Company and the Promoter.  Date of board resolution wherein board approved the proposal: Thursday, April 21, 2022
4	Kind of securities offered and the price at which security is being offered	<b>Kind of Security:</b> 4,81,927 (Four Lakh Eighty One Thousand Nine Hundred and Twenty Seven) equity shares of Rs. 10 each <b>Offer price of Security:</b> INR 166/- (Indian Rupees One Hundred and Sixty Six Only) per equity share including premium of Rs. 156/- (Indian Rupees One Hundred and Fifty Six only) per equity share
5	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	The equity shares are being issued at INR 166/- (Indian Rupees One Hundred and Sixty Six Only) including the premium of INR 156/- (Indian Rupees One Hundred and Fifty Six only) based on the valuation report dated Thursday, April 21, 2022 issued by Desai Haribhakti & Co, Chartered Accountants, ICAI Firm Registration No. 323806E.  Further, the issuance price of INR 166/- (Indian Rupees One Hundred and Sixty Six only) is not less than the fair market value of equity shares as per the valuation report dated Thursday, April 21, 2022 issued by Mr. Jayeshkumar Parasmal Shah, IBBI/RV/07/2020/13066, the Registered Valuer. The same has been approved by the Board of Directors at their meeting held on Thursday, April 21, 2022

Sr. No.	Particulars	Terms									
6	Name and address of the valuer who performed valuation	<p><b>Registered Valuer:</b> Mr. Jayeshkumar Parasmal Shah, IBBI/RV/07/2020/13066, Registered Valuer Address of the Valuer: B-2, 401, Kutchi Sarvodaya Nagar, Nr. Assissi Nagar, P L Lokhande Marg, Chembur, Mumbai Suburban - 400043</p> <p><b>Independent Valuer:</b> Desai Haribhakti &amp; Co, Chartered Accountants, ICAI Firm Registration No. 323806E Address of the Valuer: Constantia, 7th Floor, B-Wing 11, Dr. U N Brahmachari Street, Kolkata – 700 017</p>									
7	Amount which the Company intends to raise by way of such securities	The Company intends to raise an amount aggregating to INR 7,99,99,882/- (Indian Rupees Seven Crore Ninety Nine Lakh Ninety Nine Thousand Eight Hundred and Eighty Two only) by issue of 4,81,927 (Four Lakh Eighty One Thousand Nine Hundred and Twenty Seven) equity shares of face value INR 10/- (Indian Rupees Ten only) each									
8	Proposed time schedule	<p><b>Date of Opening Offer:</b> A date next to the date of issue of the private placement offer cum application letter</p> <p><b>Date of closure of offer:</b> The private placement offer cum application letter shall be valid for a period of maximum 30 days from the date of its issuance.</p>									
9	Contribution being made by the Promoters or Directors either as part of the offer or separately in furtherance of objects	The equity shares shall be offered to Mrs. Anju Auduth Timblo and Mr. Auduth M. Timblo who are the Promoters of the Company. The Promoters have indicated their intention to subscribe to the Preferential Allotment. Other than as mentioned hereinabove, no Promoter & Promoter Group of the Company, Director and the Key Management Personnel intend to subscribe to the offer of equity shares under this Preferential Issue									
10	Principle terms of assets being charged as securities	Not applicable									
11	Price band at/within which the allotment is proposed	Please refer to point (3) above									
12	Relevant date with reference to which the price has been arrived at	31st March, 2022									
13	Class or classes of persons to whom the allotment is proposed to be made	Promoter									
14	Intention of Promoters/ Directors/ Key Managerial Personnel to subscribe to the offer	Please refer to point (9) above									
15	The proposed time within which the allotment shall be completed	The allotment of equity shares pursuant to this resolution passed by the shareholders shall be completed within twelve months from the date of passing of resolution.									
16	Names of the proposed allottees and the percentage of post preferential offer capital that may be held by them,	<table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name of the proposed allottee(s)</th> <th>% post preferential offer capital</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mrs. Anju Auduth Timblo</td> <td>45.14</td> </tr> <tr> <td>2</td> <td>Mr. Auduth M. Timblo</td> <td>9.75</td> </tr> </tbody> </table>	Sr. No.	Name of the proposed allottee(s)	% post preferential offer capital	1	Mrs. Anju Auduth Timblo	45.14	2	Mr. Auduth M. Timblo	9.75
Sr. No.	Name of the proposed allottee(s)	% post preferential offer capital									
1	Mrs. Anju Auduth Timblo	45.14									
2	Mr. Auduth M. Timblo	9.75									
17	Change in control, if any, in the Company that would occur consequent to the preferential offer	No									
18	Number of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price	Till date, no allotment of shares on a preferential basis has been made during the calendar year 2022 or during the financial year 2022-2023.									
19	Pre issue and post issue shareholding pattern of the Company	Provided herein below									

The pre issue and post issue shareholding pattern of the company in the following format:

Sr. No.	Category	Pre-Issue		Post-Issue*	
		No. of shares held	% of shares held	No. of shares held	% of shares held
<b>Equity Shares</b>					
<b>A</b>	<b>Promoter and Promoter Group</b>				
<b>1</b>	<b>Indian</b>				
	(a) Individuals/ HUF	1,54,74,824	54.13	1,59,56,751	54.89
	(b) Central Govt./ State Govt.	-	-	-	-
	(c) Bodies Corporate	1,25,88,936	44.03	1,25,88,936	43.30
	(d) Financial Institutions/ Banks	-	-	-	-
	<b>Sub-total (A)(1)</b>	<b>2,80,63,760</b>	<b>98.16</b>	<b>2,85,45,687</b>	<b>98.19</b>
<b>2</b>	<b>Foreign</b>				
	(a) Individuals (NRIs/ Foreign individual)	-	-	-	-
	(b) Bodies Corporate	-	-	-	-
	(c) Institutions	-	-	-	-
	<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	<b>2,80,63,760</b>	<b>98.16</b>	<b>2,85,45,687</b>	<b>98.19</b>
<b>B</b>	<b>Public</b>				
<b>B1</b>	<b>Institutions</b>				
	Mutual Funds	-	-	-	-
	Venture Capital Funds	-	-	-	-
	Alternate Investment Funds	-	-	-	-
	Foreign Venture Capital Investors	-	-	-	-
	Foreign Portfolio Investors	-	-	-	-
	Financial institutions/ Banks	-	-	-	-
	Insurance Company	-	-	-	-
	Provident Funds/ Pension Funds	-	-	-	-
	<b>Sub-total B1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B2</b>	<b>Central Government/ State Government (s)/ President of India</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B3</b>	<b>Non-institutions</b>				
	Individual shareholders holding nominal share capital up to INR 2 lakhs	2,72,423	0.95	2,72,423	0.94
	Individual shareholders holding nominal share capital in excess of INR 2 lakhs	22,979	0.08	22,979	0.08
	Employee Trusts	-	-	-	-
	NBFCs registered with RBI	-	-	-	-
	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-
	<b>Any Other (Specify)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	HUF	425	0.00	425	0.00
	Any other Non-resident Indians (NRI)	87,486	0.31	87,486	0.30
	Clearing Members	1,800	0.01	1,800	0.01
	Bodies Corporate	19,651	0.07	19,651	0.07
	Employee	150	0.00	150	0.00
	<b>IEPF</b>	<b>1,20,262</b>	<b>0.42</b>	<b>1,20,262</b>	<b>0.41</b>
	<b>Sub-total B3</b>	<b>5,25,176</b>	<b>1.84</b>	<b>5,25,176</b>	<b>1.81</b>
	<b>Total Public Shareholding B = B1+B2+B3</b>	<b>5,25,176</b>	<b>1.84</b>	<b>5,25,176</b>	<b>1.81</b>
	<b>TOTAL A+B</b>	<b>2,85,88,936</b>	<b>100</b>	<b>2,90,70,863</b>	<b>100</b>

\*Post shareholding pattern has been arrived at considering the equity shareholding pattern as on Friday, April 15, 2022.

Mrs. Anju Auduth Timblo – Managing Director & CEO and Mr. Auduth M. Timblo, Director & Non-Executive Chairman of the Company, Promoters and the Controlling shareholders are deemed to be interested to the extent of their shareholding in the Company. Mr. Akash Timblo, employee of the Company and related to Mrs. Anju Auduth Timblo and Mr. Auduth M. Timblo, not holding any equity shares in his personal capacity may also be deemed to be interested in the resolution. None of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 1 of the Notice.

The Board is of the opinion that the proposed issuance of equity shares of the Company is in the best interest of the Company. The Board recommends the Resolution as set out in the Notice for approval of the Members as a Special Resolution.

## ITEM NO 2: REDUCTION OF EQUITY SHARE CAPITAL OF THE COMPANY

### Background:

The proposed reduction of the equity share capital of Fomento Resorts and Hotels Limited (hereinafter referred to as “**FRHL**” or the “**Company**”) is being undertaken in accordance with the provisions of Section 66 of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules made thereunder (hereinafter referred to as the “**Act**”) and specifically the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 (hereinafter referred to as the “**Reduction Rules**”), which permit a Company to undertake a reduction of its share capital in any manner.

Until June 2020, Mrs. Anju Auduth Timblo and Mr. Auduth M. Timblo, the Promoters of the Company, (collectively referred to as the “**Promoters**”), held 1,19,99,768 equity shares of face value INR 10/- each aggregating to 75% shareholding of the issued and paid-up equity share capital of the Company. The Promoters of the Company expressed their intention to voluntarily delist the equity shares of the Company from the BSE Limited (hereinafter referred to as “**BSE**”), the only stock exchange where the Company's shares were listed, in accordance with the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (hereinafter referred to as the “**Delisting Regulations**”). Subsequently, the proposal for delisting of the equity shares of the Company was approved by the Board of Directors and the Shareholders of the Company and the equity shares of the Company were delisted from the BSE vide BSE notice number 20201019-31 dated Monday, October 19, 2020 with effect from Monday, November 2, 2020 in accordance with the Delisting Regulations.

Additionally, in terms of the Delisting Regulations, the Promoters of the Company had provided a Post Delisting Exit Offer (hereinafter referred to as “**Exit Offer**”) which commenced on Monday, November 2, 2020 and was scheduled for completion of Monday, November 1, 2021. However, the Promoters of the Company had voluntarily extended the said Exit Offer and the same was concluded on Thursday, December 16, 2021. As on Friday, April 15, 2022, certain public shareholders have not been able to tender their shares as part of Exit Offer, and such shareholders comprise approximately 1.84% (i.e., One point Eight Four per cent.) of the paid-up capital of the Company (“**Non-Promoter Shareholders**”).

Following the delisting of the equity shares of the Company from the BSE, the equity shares could not be traded on the stock exchanges. Since there is no trading platform available to the Non-Promoter Shareholders, the equity shares of the Company have lost marketability. In light of the above the company is considering to provide an exit opportunity to the Non-Promoter Shareholders i.e., shareholders other than the Promoter shareholders of the Company. In this regard, the Company has evaluated various options as available under applicable law and considered reduction of equity share capital of the Company in accordance with the provisions of Section 66 of the Companies Act, 2013 as the most suitable method to provide exit to the Non-Promoter Shareholders of the Company in a fair and transparent manner.

As on Friday, April 15, 2022 out of 1,968 Non-Promoter Shareholders (holding, in aggregate, 1.84% of the total paid-up equity share capital of the Company), nearly 1,395 Non-Promoter Shareholders currently hold less than or equal to 100 equity shares and 472 Non-Promoter Shareholders currently hold more than 100 but less than or equal to 500 equity shares as enumerated in the table below:

No. of shares held by Non-Promoter Shareholders	No. of Non-Promoter Shareholders	% of total number of Non-Promoter Shareholders	% of total value of Non-Promoter Shareholding*
1-5	135	6.86	0.05
6-10	34	1.73	0.06
11-20	23	1.17	0.07
21-30	28	1.42	0.14
31-50	756	38.41	7.18
51-100	419	21.29	7.89
101-500	472	23.98	25.71
501-5,000	94	4.78	25.73
5,001 and above	7	0.36	33.16
<b>Total</b>	<b>1,968</b>	<b>100</b>	<b>100</b>

\*representing 1.84% of the total equity share capital.

The shareholding pattern of the Company as on Friday, April 15, 2022 along with the proposed shareholding structure post issuance of equity shares to the Promoters of the Company on a preferential basis is as below:

Sr. No.	Name of the shareholder	Shareholding pattern as on April 15, 2022		Proposed shareholding pattern	
		No. of shares held	% of shares held	No. of shares held	% of shares held
<b>Promoter Shareholders</b>					
1	Mrs. Anju Auduth Timblo	1,27,27,342	44.52	1,31,23,705	45.14
2	Mr. Auduth M. Timblo	27,47,482	9.61	28,33,046	9.75
3	Fomento Resources Private Limited	1,25,88,936	44.03	1,25,88,936	43.30
Non-Promoter Shareholders*		5,25,176	1.84	5,25,176	1.81
	Total	2,85,88,936	100	2,90,70,863	100

\*Pursuant to obtaining requisite approvals from the Shareholders, and regulatory authorities (as may be required) for the purpose of issuance of equity shares to the Promoter Shareholders of the Company, the revised shareholding structure of Fomento Resorts and Hotels Limited will be as stated above in the column "Proposed shareholding pattern".

Considering the above and subject to approval of the:

- The Equity Shareholders, the Preference Shareholder and National Company Law Tribunal (hereinafter referred to as "NCLT") and any other regulatory approvals as may be required for reduction of equity share capital; and
- The Equity Shareholders, the Preference Shareholders and any other regulatory approvals as may be required for issuance of equity shares to the Promoters of the Company on a preferential basis

it is proposed to reduce the issued, subscribed and paid-up capital from INR 29,07,08,630/- (Indian Rupees Twenty Nine Crore Seven Lakh Eight Thousand Six Hundred and Thirty only) consisting of 2,90,70,863 (Two Crore Ninety Lakh Seventy Thousand Eight Hundred and Sixty Three) equity shares of face value INR 10/- (Indian Rupees Ten only) each to INR 28,54,56,870/- (Indian Rupees Twenty Eight Crore Fifty Four Lakh Fifty Six Thousand Eight Hundred and Seventy only) consisting of 2,85,45,687 (Two Crore Eighty Five Lakh Forty Five Thousand Six Hundred and Eighty Seven) equity shares of face value INR 10/- (Indian Rupees Ten only) each by cancelling the equity shares held by the Non-Promoter Shareholders to the extent of 1.81% of the issued, subscribed and paid-up share capital, representing 5,25,176 (Five Lakh Twenty Five Thousand One Hundred and Seventy Six) equity shares of face value INR 10/- (Indian Rupees Ten only) each held by the Non-Promoter Shareholders. As per Section 66 of the Companies Act, 2013, the said resolution has to be passed by the members of the Company as a Special Resolution.

The aforesaid Capital Reduction will also give an opportunity to the Non-Promoter Shareholders of the Company to exit from the Company at a fair valuation as the equity shares held by them in the Company are otherwise not marketable or tradeable since the delisting of the equity shares of the Company.

As per Section 66 of the Act, the said resolution approving the Capital Reduction has to be passed by the members of the Company as a Special Resolution.

#### **Consideration:**

To maintain fairness and transparency, the Company had engaged Desai Haribhakti & Co, Chartered Accountants, ICAI Firm Registration No. 323806E (hereinafter referred to as "Haribhakti") and Mr. Jayeshkumar Parasmal Shah, IBBI/RV/07/2020/13066, Registered Valuer (collectively referred to as "Independent Valuers") to undertake a separate valuation of the equity shares of the Company and issue valuation reports, to assist the Board of Directors of the Company (hereinafter referred to as the "Board") in determining the fair value of the equity shares of the Company for the purposes of the proposed Capital Reduction (hereinafter referred to as the "Valuation Reports"). The Company also engaged Keynote Financial Services Limited (hereinafter referred to as "Keynote"), a SEBI registered Category – I Merchant Banker holding Registration Number INM000003606, to provide a fairness opinion on the valuation of the equity shares of the Company so determined by the Independent Valuers.

The fair value of the equity shares of the Company as at Thursday, April 21, 2022 is INR 166/- (Indian Rupees One Hundred and Sixty Six Only) per equity share as per the valuation report issued by Haribhakti and INR 161/- (Indian Rupees One Hundred and Sixty One only) per equity share as per the valuation report issued by Mr. Jayeshkumar Parasmal Shah, IBBI/RV/07/2020/13066, Registered Valuer.

The Audit Committee and the Board has considered both Valuation Reports (including the valuation methodologies considered and other relevant aspects) and undertaken detailed deliberations in relation to the valuations determined by the Valuation Reports. After due consideration in relation to the above, the Board was of the view that the higher valuation out of the two valuations mentioned in the Valuation Reports, i.e., INR 166/- (Indian Rupees One Hundred and Sixty Six Only) per equity share of the Company as per the Valuation Report issued by Haribhakti represents the fair value of the equity shares of the Company. Therefore, the Board has proposed

to reduce the equity share capital of the Company by way of cancelling and extinguishing 5,25,176 (Five Lakh Twenty Five Thousand One Hundred and Seventy Six) equity shares of the Company held by the Non-Promoter Shareholders by paying an amount of INR 166/- (Indian Rupees One Hundred and Sixty Six Only) per equity share so extinguished and provide an exit opportunity to the Non-Promoter shareholder.

**Effective Date of Reduction of Equity Share Capital:**

After the shareholders have passed the requisite resolution by way of Postal Ballot, the Company will file the requisite application with the NCLT in accordance with the provisions of Section 66 and other applicable provisions of the Act and the Reduction Rules, seeking confirmation of the Capital Reduction. Pursuant to section 66(5) of the Companies Act, 2013, this resolution will be effective on the date when the Registrar of Companies, Goa registers the NCLT order approving the Capital Reduction and issues a certificate to that effect.

**Payment to Non-Promoter Shareholders:**

The Company shall, upon the receipt of confirmation by NCLT to the capital reduction and upon the capital reduction becoming effective and operative, deposit the whole of the consideration of INR 8,71,79,216/- (Indian Rupees Eight Crore Seventy One Lakh Seventy Nine Thousand Two Hundred and Sixteen only) in a special bank account.

Subject to the ensuing paragraphs, the monies to be paid to the Non-Promoter Shareholders in lieu of the capital reduction shall be discharged by issue of cheque/draft/pay order/warrant/NEFT/RTGS/IMPS/NACH/Direct Credit to the shareholders whose name appears as a member as on the record date (as determined by the Board) (“**Record Date**”), within such number of days and subject to such approvals, if any, as may be permissible under applicable law or as may be directed by the NCLT, Mumbai Bench, on the reduction becoming effective.

In this regard, the shareholders of the Company are requested to provide to the Company/ Registrar & Transfer Agent, their bank account details (including IFSC code) along with a cancelled cheque leaf and self-attested copies of address proof and identity proof on or before Friday, September 30, 2022 failing which the monies will be paid by the Company to the last known address/bank details of the Non-Promoter Shareholders of the Company.

In case of transfer requests pending as on the Record Date, the Company shall immediately after the Record Date, dispatch to such shareholders (“**Transferor**”) and to such person (“**Transferee**”) from whom the Company has received any communication with respect to pending transfer of shares, a form to be duly filled in by the Transferor and the Transferee. Upon receipt of duly filled in form, the Company shall pay the monies due to the Transferee or to the Transferor as the case may be. Pending receipt of duly filled in form the monies to be paid-out with respect to such shares shall be dealt in a manner provided for in the below paragraph.

Where the monies to be paid-out have not been claimed by or paid to the Non-Promoter Shareholders, on account of cheques returned and/ or undelivered, cheques not deposited, consideration in respect of shares pending transfer as on the Record Date, or for any other reason, the Company shall retain such monies in the special bank account, for a period of 7 (seven) years on behalf of the Non-Promoter Shareholders. The amount outstanding in the special bank account after the said period shall be utilized in a manner as may be permitted under any law then in force or shall be transferred to the Investor Education and Protection Fund as per the applicable provisions of the Act.

**Payment to Non-resident Non-Promoter Shareholders:**

In order to be eligible to receive any payments in respect of the shares cancelled on reduction of equity share capital, Non-Resident Non-Promoter Shareholders will also need to provide the Company, a copy of the original permission received by them from the Reserve Bank of India in relation to the acquisition of their shares (as applicable), and:

- a. If the shares held by Non-Resident Non-Promoter Shareholders are on a non-repatriation basis, the Non-Resident Non-Promoter Shareholder (excluding SEBI registered Foreign Institutional Investors (FIIs)) must obtain a letter from his/her/its authorised dealer/bank confirming that at the time of acquisition of such shares, payment for the same was made by the Non-Resident Non-Promoter Shareholder from the appropriate account (e.g., NRE a/c) as specified by the Reserve Bank of India; or
- b. If the Non-Resident Non Promoter Shareholder (excluding SEBI registered FIIs) is not in a position to produce the letter referred to in paragraph (a) above, his/ her/ its shares will be deemed to have been acquired on a non-repatriation basis and in this case, the Non-Resident shareholder must submit a consent letter addressed to the Company's Registrar and Share Transfer Agent (i.e., Bigshare Services Private Limited.) or the person/s authorised by the Board to carry out various activities in relation to the proposed Capital Reduction (“Authorized Persons”), allowing such Authorized Persons to make the payment on a non-repatriation basis.

If any of the above stated documents, as applicable, are not submitted to the Company or to the Registrar and Share Transfer Agent on or before Friday, September 30, 2022, the Company shall subject to applicable law, have the discretion to retain the consideration in respect of the equity shares held by such Non-Resident Non-Promoter Shareholder in the special bank account and the same will be dealt with in accordance with the procedure specified in the aforementioned paragraphs.

**Taxation:**

The Non-Promoter Shareholders should consider their own tax position and pay appropriate tax (as may be applicable) on the consideration received from the Company pursuant to the Capital Reduction. The Company shall deduct tax at source, if applicable, at the applicable tax rate in accordance with the applicable provisions of the Income-Tax Act, 1961 or the relevant provisions of the Double

Tax Avoidance Agreement (if any, applicable to a Non-Resident Non-Promoter Shareholders) before making payment of the consideration to the Non-Promoter Shareholders.

The Company will request the Non-Promoter Shareholders to provide necessary information/ declarations to determine the withholding tax liability (as applicable) prior to payment of the consideration. If the Non-Promoter Shareholders fail to provide the requested information/ declarations in a timely manner, then the Company shall deduct tax at source at the highest applicable rate. The Company shall deposit the tax so withheld and also file necessary returns with the relevant authorities for this purpose.

**General:**

The Board of Directors of the Company at their meeting held on Thursday, April 21, 2022, approved the Capital Reduction as per the terms set out in the Resolution.

Article 68 of the Articles of Association of the Company provides for the reduction of capital of the Company in any manner authorized by the applicable law. It would be necessary to obtain the approval of the members of the Company in a General Meeting by passing a Special Resolution for the Capital Reduction under Section 66 of the Act and such reduction of equity share capital would have to be confirmed by the NCLT as provided under Section 66 of the Act and the Reduction Rules.

The Capital Reduction will not cause any prejudice to the creditors of the Company. The creditors of the Company are in no way affected by the proposed Capital Reduction, as there is no reduction in the amount payable to any of the creditors. Further, the proposed Capital Reduction will not have any impact on the operations of the Company or the ability of the Company to honour its commitment or to pay its debts in the ordinary course of business.

A copy of the Memorandum of Association and Articles of Association of the Company as amended from time to time, copies of Valuation Reports issued by the Independent Valuers (i.e., Haribhakti and Mr. Jayeshkumar Parasmal Shah, IBBI/RV/07/2020/13066, Registered Valuer) and Fairness Opinion issued by Keynote are available for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 3:00 P.M. (IST) to 5:00 P.M. (IST) from the date of circulation of the Notice up to the date of closure of e-voting period and the date for receipt of Postal Ballot forms`.

The Board of Directors of the Company considers that this resolution is in the best interests of the Company, its shareholders and therefore, recommends the passing of the Special Resolution as set out in the Notice.

None of the Directors and/ or Key Managerial Personnel of the Company or their relatives are, in any way, deemed to be concerned or interested in the said resolution.

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

Place: Goa  
Dated: April 21, 2022

**Sd/-**  
Asmeeta Matondkar  
Company Secretary