

47th Annual Report 2017-2018



Goa in a resort

FOMENTO RESORTS AND HOTELS LIMITED

BOARD OF DIRECTORS

MRS. ANJU TIMBLO
MR. AUDUTH TIMBLO
MR. SHARDUL THACKER
MR. JAMSHED DELVADAVALA
MR. RAGHUNANDAN MALUSTE (Resigned w.e.f. December 9,2017)
MR. REYAZ MAMA
MR. APOORVA MISRA (Resigned w.e.f. December 9,2017)

CHIEF FINANCIAL OFFICER

MR. M. A. HAJARE

COMPANY SECRETARY

MRS. ASMEETA MATONDKAR

AUDITOR

M/s. SUDHA SURESH PAI & ASSOCIATES
Chartered Accountants

BANKERS

IDBI BANK
HDFC BANK
ICICI BANK

REGISTERED OFFICE

CIDADE DE GOA,
VAINGUINIM BEACH,
GOA - 403004

Contents	Page
About Cidade de Goa	3
Directors' Report	4
Management Discussion and Analysis	39
Report on Corporate Governance	47
Shareholders Information	58
Independent Auditor's Report	63
Balance Sheet	68
Statement of Profit and Loss	69
Cash Flow statement	70
Notes to the Financial Statements	73
Notice	95
Intimation to Shareholders for Urgent & Immediate Action	111

Disclaimer/ Forward Looking Statement

In this Annual Report we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. The report and other statements – written and oral that we periodically make, contain forward looking statements that set out anticipated results based on the management plans and assumptions. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks in uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.



Cidade de Goa

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

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

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

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

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

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

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

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

DIRECTORS' REPORT

To
The Members,

The Board of Directors of your Company take pleasure in presenting the Forty Seventh Annual Report on business and operations of your Company along with the Audited Financial Statements and Cash Flow Statement for the year ended March 31, 2018.

1. FINANCIAL RESULTS AND APPROPRIATION

(Amount in Lakhs)

Particulars	F.Y. 2017-18	F.Y. 2016-17
Income	6,264.94	6,675.97
Operating Expenses	3,905.49	3,795.87
Gross Operating Profit(PBIDT)	2,359.45	2,880.10
Less:		
Interest and Financial Charges	616.13	622.13
Depreciation	248.64	269.74
Profit before Extra Ordinary and Exceptional items & Tax	1,494.65	1,988.23
Exceptional Items	-	-
Profit before tax(PBT)	1,494.65	1,988.23
Tax Expense	671.76	905.07
Profit/(Loss)after tax(PAT)	822.89	1,083.16
Add Surplus/(Deficit) brought forward from the previous year	6,858.78	6,231.81
Profit available for appropriation	7,681.67	7,314.97
Appropriation		
a) Transfer to General Reserve	(82.29)	(168.17)
b) Re-measurement of defined benefit obligation	(.10)	11.43
c) Dividend (including dividend distribution taxes)	(299.45)	(299.45)
Balance carried to Balance Sheet	7,299.83	6,858.78
Total	7,681.67	7,314.97
Earnings per share before Exceptional Item (Basic and Diluted)	4.48	6.10
Earnings per share after Exceptional Item (Basic and Diluted)	4.48	6.10

2. OPERATIONS REVIEW:

The Directors wish to report that your Company achieved a total income of Rs. 6,264.94 lakhs compared to Rs. 6,675.97 lakhs in the previous year. Of the above income the Operational revenue was Rs. 5,745.54 lakhs as against Rs. 6,048.23 lakhs of the previous year that is a decrease of 5% , mainly due to the decrease in the Segment of weddings, conferences and groups. The Company earned a pre-tax profit of Rs. 1,494.65 lakhs for the year under review as against Rs. 1,988.23 lakhs (before exceptional items) in the previous year.

3. DIVIDEND:

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

- (i) A dividend of Rs.7.5/- per share on 70,00,000 Cumulative, Non-Convertible, Redeemable Preference shares for the year ended March 31, 2018 (i.e. @7.5% on the paid up preference share capital) amounting to a total sum of Rs.5,25,00,000/- as per

the terms of the issue of Preference shares subject to the approval of the members at the ensuing Annual General Meeting.

- (ii) Dividend of Re. 1/- per share on 1,60,00,000 Equity shares for the year ended March 31, 2018 (i.e. @ 10% on the paid up equity capital) amounting to Rs. 1,60,00,000/-, subject to the approval of the members at the ensuing Annual General Meeting.

4. SHARE CAPITAL:

During the year under review, the total paid-up share capital of the Company stood at Rs. 86,00,00,000/- consisting of 1,60,00,000 equity shares of Rs. 10/- each and 70,00,000 Cumulative, Non-Convertible, Redeemable preference shares of Rs. 100 each.

5. CHANGE IN APPLICABLE ACCOUNTING STANDARDS :

Pursuant to Notification dated February 16, 2015 by the Ministry of Corporate Affairs, Indian Accounting Standards (Ind AS) became applicable to certain classes of Companies from April 1, 2017 with a transition date of April 1, 2016. IndAS replaced the Generally Accepted Accounting Principles (Indian GAAP) prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

Ind AS is applicable to the Company from April 1, 2017. Consequently, figures for financial year ended 2016 -2017 with transition date as at April 1, 2016 have been restated as per IndAS.

6. RESERVES:

The Board of Directors propose to carry an amount of Rs. 82.29 lakhs to General Reserve.

7. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Companies Act, 2013 emphasizes the need for an effective Internal Financial Control system in the Company. The system should be designed and operated effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report.

To ensure effective Internal Financial Controls the Company has laid down the following measures:

- All operations are executed through Standard Operating Procedures (SOPs) in all functional activities for which key manuals have been put in place. The manuals are updated and validated periodically.
- The Company's books of accounts are maintained in ERP Hotel software developed by IDS and transactions are executed through IDS (ERP) setups to ensure correctness/effectiveness of all transactions, integrity and reliability of reporting.

These systems and controls are audited by Internal Audit and their findings and recommendations are reviewed by the Audit Committee which ensures the implementation. Your Company has in place adequate internal financial controls with reference to the financial statements commensurate with the size, scale and complexity of its operations. Such controls have been accessed during the year under review taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Based on the results of such assessments carried out by Management, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed. Nonetheless your Company recognizes that any internal control framework no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

- Compliance of secretarial functions is ensured by way of secretarial audit.

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

- The Company has a comprehensive risk management framework. The Risk Management Committee keeps the Board informed of the risks and the measures taken by the Company to mitigate the risks.

- The Company has in place a well-defined Vigil Mechanism (Whistle Blower Policy).

During the year 2017-2018 as required under Section 143 of the Act, the Statutory Auditors have evaluated and expressed an opinion on the Company's internal financial controls over financial reporting based on an audit. In their opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018.

During 2017-2018, the Audit Committee was satisfied with the adequacy of the internal financial controls with reference to financial systems of the Company.

8. STATUTORY AUDITORS:

Messrs Sudha Suresh Pai & Associates, Chartered Accountants (ICAI Registration No. 118006W) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 46th Annual General Meeting (AGM) held on September 29, 2017 until the conclusion of the 51st Annual General Meeting of the Company.

As required under the provisions of Section 139(1) of the Companies Act, 2013, the Company has received a written consent from Messrs Sudha Suresh Pai & Associates, Chartered Accountants for their re-appointment and a Certificate,

to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in Section 141 of the Companies Act, 2013.

The Auditors Report for financial year 2017-2018 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the financial statements in this Annual Report.

Auditor's certificate on corporate governance

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditor's certificate on Corporate Governance forms part of this Annual Report. The Auditor's certificate for financial year 2017-2018 does not contain any qualification, reservations or adverse remark.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Shivaram Bhat, Practicing Company Secretary (Certificate of Practice Number: 7853) to undertake the Secretarial Audit of the Company.

The Company has annexed to this Board Report as Annexure G, a Secretarial Audit Report given by the Secretarial Auditor.

9. REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

10. COMPOSITION OF AUDIT COMMITTEE:

The Board has re-constituted the Audit Committee which comprises of Mr. Jamshed Delvadavala as the Chairperson and Mr. Shardul Thacker, Mr. Reyaz Mama and Mrs. Anju Timblo as its Members.

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

11. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. All related party transactions were placed before the Audit committee and also the Board for approval. A detailed statement of such related party transactions entered into pursuant to the approval so granted are placed before the Audit Committee for their review on a quarterly basis. Suitable disclosure as required by the India Accounting Standards (Ind AS – 24) has been made in the Notes to the Financial Statements. The Form No. AOC-2 is annexed to this Report as "Annexure A.

All the "Material Related Party Transactions", as per Regulation 23 of the Listing Regulations, 2015 were approved at the Annual General Meeting held on September 29, 2017.

The Company has developed a Related Party Transactions Policy for the purpose of identification and Monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the company's website at the web link: http://www.cidadedegoa.com/upload/PDF/230_27_new_file_Related_Party_Transactions_Policy.pdf

12. DEPOSITS:

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

13. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The brief outline of the Corporate Social Responsibility policy of the Company and the initiatives undertaken by your Company on CSR activities during the year are set out in Annexure B of this Report in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is available on the website of your Company.

As a part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has contributed funds to an institute for empowering women from economically backward groups, undertaken welfare activities like providing food, groceries supporting old age homes in celebrating key events, Promoting healthcare etc. The Company has also provided employment enhancing vocational skills and donated funds for construction of an aided school building directly as part of the CSR initiative.

The amount spent on the CSR activities is annexed herewith as "Annexure B".

14. SUBSIDIARY COMPANIES:

The Company does not have any subsidiary.

15. CODE OF CONDUCT:

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has adopted a Code of Conduct and Ethics ('The Code'). The Code is applicable to the members of the Board, Senior Management and Designated employees of the Company. The code is available on our website, www.cidadedegoa.com.

All the members of the Board, Senior Management and Designated Employees of the Company have affirmed compliance to the Code as on March 31, 2018.

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

16. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct.

The reportable matters may be disclosed to the Vigilance and Ethics Officer who has been appointed and who report to the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

The policy also allows addressing the concerns directly to the Chairman of the Audit Committee/Managing Director/Chairman in exceptional cases. The Audit Committee recommends the disciplinary or corrective action it deems fit to the Board of Directors. The policy is available on the website of the Company and forms part of the Director's Report as "Annexure C".

The Vigil Mechanism Policy can be accessed on your Company's website at the link: http://www.cidadedegoa.com/upload/PDF/228_27_new_file_Whistle_Blower_Policy.pdf

17. PROHIBITION OF INSIDER TRADING:

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Insider Trading Policy which lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on our website http://www.cidadedegoa.com/upload/PDF/231_27_new_file_Code_for_Regulating_Monitoring_Reporting_Trading_by_Insiders.pdf

18. EXTRACT OF THE ANNUAL RETURN:

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

19. RISK MANAGEMENT:

Although not mandatory, your Company has constituted a Risk Management Committee as a measure of good governance. The Risk Management Committee is responsible to frame, implement and monitor the risk management plan for the Company. The Committee reviews the risk management plan and ensures its effectiveness. The details of the Committee and its terms of reference are set out in the Corporate Governance Report.

Your Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134(3) (n) of the Companies Act,

2013. The objective of the Risk Management Policy is to identify the risks impacting the business and formulate strategies/policies aimed at risk mitigation as part of risk management.

The risk management framework is discussed in detail in the Management Discussion and Analysis report forming part of this Annual Report.

20. PARTICULARS OF EMPLOYEES:

Information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company is annexed as "Annexure E".

The statements containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is not provided since there were no employees drawing remuneration more than Rs. 102 lakhs or drawing remuneration of Rs. 8.50 lakhs per month, if employed during whole or part of the year as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

21. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

22. DIRECTORS' RESPONSIBILITY STATEMENT:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on actuarial basis except for certain financial instruments, which are measured at fair values, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with applicable transition guidance. Accounting policies have been consistently applied except whether a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Board hereby confirms that:

a) In the preparation of the accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed;

- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2018 and the profit and loss of the Company for that period;
- c) The Directors have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) The Directors have prepared the annual accounts on a 'going concern' basis;
- e) The Directors have laid down internal financial controls which are adequate and are operating effectively;
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

23. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Your Company has Five (5) Directors consisting of Three (3) Non-Executive & Independent Directors, One (1) Non-Executive Director and One (1) Whole-Time Director as on March 31, 2018.

In terms of the definition of "Independence" of Directors as prescribed under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013 and based on the confirmations/disclosures received from the Directors, the following Non-Executive Directors are Independent Directors:-

- (i) Mr. Jamshed Delvadavala
- (ii) Mr. Shardul Thacker
- (iii) Mr. Reyaz Mama

Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a company shall have at least one Woman Director on the Board of the Company. Your Company is in compliance of the same. Mrs. Anju Timblo Managing Director & CEO is a Woman Director and also a Whole Time Director as on March 31, 2018.

Resignations from the Board of Directors

Mr. Apoorva Misra, Non Executive and Non Independent Director and Mr. Raghunandan Maluste, Independent Director resigned w.e.f. December 9, 2017. The Board places on record its appreciation towards valuable contribution made by Mr. Apoorva Misra and Mr. Raghunandan Maluste during their tenure as Directors of the Company.

For the purpose of compliance with Section 152 of the Companies Act, 2013 and for determining the Director liable to retire by

rotation, the Board at its meeting held on May 30, 2018, took note of the consent given by Mr. Auduth Timblo, being longest in office, to retire by rotation at the ensuing Annual General Meeting of the Company. Accordingly, the Board noted that Mr. Auduth Timblo, Director and Non-Executive Chairman shall be the Director liable to retire by rotation and being eligible, has offered himself for re-appointment. The Directors recommend re-appointment of Mr. Auduth Timblo.

On the basis of the approval and recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company on May 30, 2018, unanimously approved the re-appointment of Mrs. Anju Timblo as the Managing Director & Chief Executive Officer (MD & CEO) pursuant to the provisions of the Companies Act, 2013 and all applicable provisions of the Companies Act, 2013 and rules made thereunder for a period of 3 (three) years commencing from June 1, 2018 and ending on May 31, 2021. The aforesaid reappointment is on a continuation basis, without any interruption/break in the service and is subject to the approval, of the Members of the Company. Her term of office shall not be liable to retire by rotation. Terms, conditions of her re-appointment including remuneration and all other relevant details have been furnished in the Notice convening this AGM.

The Company has greatly benefited from her expertise and experience. In view of the same, it is proposed to re-appoint Mrs. Anju Timblo as the Managing Director & CEO of the Company for a period of 3 years w.e.f June 1, 2018. The Board commends her re-appointment as the Managing Director & CEO of the Company to the Members of the Company and your approval for her re-appointment as Managing Director & CEO has been sought in the Notice convening the Annual General Meeting of your Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel (KMP) of your Company are Mrs. Anju Timblo, Managing Director & CEO, Mr. M. A. Hajare, Chief Financial Officer and Mrs. Asmeeta Matondkar, Company Secretary. There has been no change in Key Managerial Personnel's during the year.

Board Evaluation

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

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

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

Board Diversity

A diverse Board enables efficient functioning through differences in perspective and skill and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical background.

The Board recognizes the importance of a diverse composition and has adopted a Board Diversity Policy which sets out the approach to diversity. The Board diversity policy is available on our website: http://www.cidadedegoa.com/upload/PDF/234_27_new_file_Board_Diversity_Policy.pdf

Committees of the Board

Currently, the Board has five committees: the Audit committee, the Nomination and Remuneration committee, the Corporate Social Responsibility committee, the Stakeholders Relationship committee and the Risk Management committee. A detailed note on the composition of the Board and its Committees is provided in the Corporate Governance report section of this Annual Report.

Number of Meetings of the Board

During the year Five Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

24. NOMINATION AND REMUNERATION POLICY:

In accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the Listing Regulations, the policy on Director's appointment and remuneration and Senior Management Personnel appointment and remuneration which has been formulated is enclosed as "Annexure F" and forms part of this Annual Report. The policy is also available on the Company's website https://www.cidadedegoa.com/upload/PDF/249_27_new_file_Nomination_and_Remuneration_Policy.pdf

The policy was amended on March 17, 2018 during the fiscal year. We affirm that the remuneration paid to directors is as per the terms laid out in the Nomination and Remuneration policy of the Company.

25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2) (e) of SEBI

(LODR) Regulations, 2015 with the Stock Exchange is given separately and forms part of this Annual Report.

26. CORPORATE GOVERNANCE:

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

27. TECHNOLOGY ABSORPTION AND CONSERVATION OF ENERGY:

(A) Technology Absorption:

In the opinion of the Board, the required particulars pertaining to technology absorption under Section 134 of the Companies Act, 2013 read with Rule 8(B) of the Companies (Accounts) Rules, 2014, are not applicable, as hotel is a service industry and the Company does not have significant manufacturing operations.

(B) Conservation of Energy:

During the year, the Company had continued its focus on energy conservation measures that include:

- (a) Installation of variable frequency drive for exhaust fans
- (b) Use of recycled water for horticulture
- (c) Installation of timers for public areas and BOH house areas
- (d) Installation of aerators to reduce water consumption

Besides the above, the Company also took various operational measures to reduce energy consumption by:

- (a) Optimal use of lighting and other equipment
- (b) Regulating of chilled water set points according to the ambient temperature
- (c) Setting benchmarks for energy consumption by area
- (d) Regulating of hot water boiler setting according to the ambient legislations.

Actions planned for the next year include:

- (a) Replacement of chillers to energy efficient chillers
- (b) Replacement of fluorescent lamps by energy efficient LED lamps
- (c) Installation of variable frequency drives for exhaust fans
- (d) Replacement of old fan coil units
- (e) Replacement of motors with energy efficient motors
- (f) Replacement of cooling tower fans for better efficiency
- (g) Replacement of hot water boilers with heat pumps

28. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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