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PARK HYATT GOA®

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RESORT AND SPA



Annual Report 2015-16









# Blue Coast

Hotels Ltd.

## *Celebrating the paradise that's India*

As an ancient land, India unravels layers upon layers of magic and mystery, amazing visitors with her vibrant charm and pleasant surprises. There is no resisting her call ... for she makes it is easy to embrace her unique treasure trove of warmth, emotions, hospitality, colours, cultures and experiences.



At Blue Coast Hotels Ltd., we are inspired to infuse all that we do with the multi-faceted dimensions of this great, glorious land even as we constantly endeavour to bring alive its many facets, flavours and fragrances. While our world-class Resort and Spa – the Park Hyatt, Goa, is a benchmark of global

excellence and perfection, we continue to be driven by the vision of redefining hospitality that truly celebrates the paradise that's India.





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# PARK HYATT GOA™

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RESORT AND SPA

## *A celebration of luxury*

As a Blue Hotel exclusive beach resort nestled along Arossim Beach spread over 45 acres of pristine beauty, the PARK HYATT GOA gives luxury an out-of-this-world dimension. With its quaint cottages, emerald lagoons and Portuguese Village looks, PARK HYATT GOA combines elegance with distinctive regional flavours and has benchmarked excellence since inception.



Away from everything that's typically touristy, the PARK HYATT GOA embraces the coastline and indulges visitors amidst swaying palms and amazing dimensions of lively luxury celebrated by endless blue skies, comforting caress of the sea breeze and soothing serenade of rhythmic rolling waves.

The resort showcases a selection of exquisite restaurants and the highly acclaimed Sereno Spa that's claimed several awards & accolades including the World Luxury Spa Awards 2016 (Best Destination Spa # 1), AsiaSpa India Awards 2015 (Most Luxurious Spa Treatment #1 and Best Spa Manager #1), Conde Nast Traveller India Readers' Travel Awards 2015 (Favourite Destination Spa and Favourite Indian Leisure Hotel), among several others.









## *Remembering Late Shri P. L. Suri*

*As the Chairman & Managing Director of the Company, Shri P. L. Suri enthused each and everyone at Blue Coast to follow the path of 'no compromise' in the pursuit of excellence. A towering 'old school' individual with extraordinary vision and leadership qualities, he left no stone unturned when it came to extolling the virtues of cooperation and harnessing the power of teamwork to actuate and achieve goals.*

*At Blue Coast Hotels Ltd., Shri P. L. Suri's humility of heart, spirit of righteousness and power of foresight will continue to guide us in our everyday endeavours, strengthen our professional foundations and shape our ideology of excellence for all times to come.*





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**Board of Directors**

Mr. Sushil Suri  
Chairman & Managing Director  
Dr. Vijay Mohan Kaul  
Independent Director  
Mr. Ashok Kini  
Independent Director  
Mr. Praveen Kumar Dutt  
Independent Director  
Mr. Madan Gopal Khanna  
Independent Director  
Mrs. Seema Joshi  
Independent Director  
Mr. Kushal Suri  
Non-Executive Director

**Executives**

Mr. Dilip Bhagtani  
Chief Financial Officer

Mr. Shivam Kumar  
Company Secretary

**Auditors**

M/s. M. Kamal Mahajan And Co.  
Chartered Accountants  
S.C.O. 61, Madhya Marg,  
Sector 26, Chandigarh -160019

**Company Bankers**

State Bank of Mysore

**Stock Exchanges where Company's Securities Listed**

Bombay Stock Exchange Limited (Scrip Code: 531495)  
National Stock Exchange of India Limited (Scrip Code: BLUECOAST)

**Registered Office**

263C, Arossim, Cansaulim,  
Goa 403712  
Tel: 0832 2721234  
Fax: 0832 2721235

**Corporate Office**

415-417, Antriksh Bhawan,  
22, Kasturba Gandhi Marg,  
New Delhi - 110 001  
Tel. : 011 23358774-775  
Fax. : 011 23358776

**Registrar & Share Transfer Agent**

RCMC Share Registry Pvt. Ltd.  
B - 25/1, 1st Floor,  
Okhla Industrial Area, Phase-II  
New Delhi-110 020  
Tel. : 011 - 26387320-21-23  
Fax: 011 - 26387322

**Secretarial Auditor**

Mr. Prem Chand Goel,  
Company Secretary  
1405, YUCCA, Paramount  
Symphony Crossing Republic  
Township, NH – 24 Dundahera,  
Ghaziabad – 201016, India





## Notice

NOTICE is hereby given that the **23<sup>rd</sup> Annual General Meeting** of the members of **Blue Coast Hotels Limited** will be held on **Thursday 29<sup>th</sup> September 2016** at **11.00 A.M.** at **263C, Arossim, Cansaulim, Goa – 403712** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2016 and the Statement of Profit & Loss Account of the Company for the period ended on that date along with the report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kushal Suri (DIN 02450138), Director who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of M/s M. Kamal Mahajan and Co. (Reg. No. 06855N), Chartered Accountants, Chandigarh, the Statutory Auditors of the Company, by the members in the 21st Annual General Meeting (AGM) held on 30th September, 2014 to hold the office till the conclusion of the 24th Annual General Meeting (AGM) of the Company to be held in the year 2017, be and is hereby ratified.”

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s) the following resolution(s) as **Ordinary Resolution**:-

#### **APPOINTMENT OF MS. SEEMA JOSHI AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act, as amended from time to time. Ms. Seema Joshi (DIN06946689), who has submitted a declaration that she meets the criterion for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of 5(Five) years with effect from September 2016 to September 2020 not liable to retire by rotation.”

5. To consider and if thought fit, to pass with or without modification(s) the following resolution(s) as **Ordinary Resolution**:-

#### **APPOINTMENT OF MR. MADAN GOPAL KHANNA AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act, as amended from time to time. Mr. Madan Gopal Khanna (DIN00330460), in respect of whose candidature, the

Company has received a notice in accordance with Section 160 of the Act and who has submitted a declaration that he meets the criterion for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of 5(Five) years from the date of appointment, not liable to retire by rotation.”

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

**Approval of Related Party Contract**

“**RESOLVED THAT** pursuant to the provisions of Section 188(1) of the Companies Act, 2013 and other applicable provisions, if any, of the Act and the Rules framed there under and in addition to the earlier resolution passed in the General Meeting of the members of the Company held on 30th September, 2014, the approval of the members be and is hereby granted to the Addendum to Joint Development Agreement as executed between the Company and Blue Coast Infrastructure Private Limited.

“**RESOLVED FURTHER THAT** to give effect to this resolution, the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to finalize any document or writings related thereto”.

By Order of the Board  
For **Blue Coast Hotels Limited**

(**Sushil Suri**)  
(Chairman & Managing Director)  
DIN : 00012028

Place : New Delhi  
Date : 05.08.2016

CIN : L31200GA1992PLC003109  
Regd. Office:  
263C, Arossim,  
Cansaulim, Goa-403712





**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM TO BE EFFECTIVE SHALL BE DULY STAMPED, SIGNED AND COMPLETED IN ALL RESPECT, MUST REACH THE COMPANY'S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE TIME OF THE MEETING.** A person cannot act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 23rd September 2016 to, Thursday the 29th September 2016 (both days inclusive).
3. The relevant Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the business under Item No. 4 to 6 of the Notice, is annexed hereto. The relevant details as required under SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 entered with the stock exchange (s), of person(s) seeking appointment as Directors under Item No. 4& 5 of the Notice, are also attached.
4. Pursuant to Section 101 and 136 of the Companies Act 2013 read with relevant rules there under, companies can serve Annual Report and other communication through electronic mode to those members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can register the same with the Company.
5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronics Clearing Services (NECS), Electronic Clearing Services (ECS), mandates, nominations, power of attorney, change of address, change of name, email address, contact numbers, etc. to their Depository Participants (DP). Changes intimated to the DP will then be automatically reflected in Company's records, which will help the Company and the Company's Registrar and Transfer Agent, RCMC Share Registry Pvt. Ltd. ("RCMC") to provide better and efficient services. Members holding shares in physical form are requested to intimate such changes to RCMC Share Registry Pvt. Ltd. ("RCMC").
6. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RCMC Share Registry Pvt. Ltd. ("RCMC") for assistance in this regard.
7. Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report for 2016 will also be available on the Company's website [www.bluecoast.in](http://www.bluecoast.in). The Notice of AGM shall also be available on the website of NSDL viz. [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their de-mat accounts. Members holding shares in physical form can submit their PAN to the RTA 'RCMC Share Registry Pvt. Ltd. ("RCMC")
9. Members/Proxies are requested to bring their copy of Annual Report to the Meeting. Members/Proxies should fill the attendance slip for attending the meeting. Members who hold shares in dematerialized form are requested

to write their Client ID and DP ID numbers and those hold shares in Physical forms are requested to write their Folio Number in the attendance slip for attending the meeting.

10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Corporate members intending to send their Authorised Representative are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting
12. Members are requested not to bring any article, briefcase, hand bag, carry bag etc., as the same will not be allowed to be taken inside the auditorium/hall for security reasons. Further, the Company or any of its officials shall not be responsible for their articles, bags etc., being misplaced, stolen or damaged at the Meeting place.
13. Members are requested to send their queries, if any, on the accounts and operations of the Company to the management of the Company at least 10 days before the Annual General Meeting.
14. The Notice of AGM along with the Annual Report 2015- 16 is being sent by electronic mode to those members whose email address is registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their email id, physical copies are being sent by the permitted mode.
15. The Auditors Report pursuant to section 145 of Companies Act, 2013, Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and Register of Contracts or arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM
16. We request you to cooperate with the Company in its endeavour to participate in "Green Initiative" taken by MCA and in protecting the environment.
17. In compliance with Section 108 of the Act and the Rules framed thereunder, the Companies (Management and Administration) Rules, 2014, and relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members the facility to exercise their right to vote at the 23rd Annual General Meeting of the Company by electronic means on all resolutions set forth in this Notice, through e-voting services provided by NSDL. The Members, whose name appears in the Register of Members, holding shares in physical or in dematerialised form, as on the Record Date i.e. Thursday, 22nd September, 2016 (End of Day) are entitled to cast votes electronically on the resolutions set forth in this Notice. The e-voting will commence at 9:00 A.M. on Monday, 26th September 2016 and will end at 5:00 P.M. on Wednesday, 28th September 2016.

## **Voting Options**

### **(1) Voting through Electronic Means**

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means.

The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.





**The instructions for e-voting are as under:-**

**A. In case a Member receives an email from NSDL [for Members whose email id is registered with the Company/ Depositories Participants(s)]:-**

- i) Open the email and also open PDF file namely "Blue Coast e-Voting.pdf" with your Client Id or Folio No. as password. The said pdf file contains your user Id and password for e-voting. Please note that the password is initial password.
- ii) Open the Internet browser and type the following URL: <http://www.evoting.nsdl.com>.
- iii) Click on shareholder- Login
- iv) If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
- v) If you are logging in for the first time, please enter the User Id and password provided in the PDF file attached with the email as initial password.
- vi) The Password Change Menu will appear on your screen. Change to new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- vii) Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
- viii) Select "EVEN" (E-voting Event Number) of Blue Coast Hotels Limited, which is 100892. Now you are ready for e Voting as Cast Vote page opens.
- ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi) Once the vote on the resolution is cast, the Member shall not be able to change it subsequently.
- xii) 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. together with attested specimen signature of the duly authorised signatories who are authorised to vote, to the Scrutinizer through email to [bluecoastscrutinizer@gmail.com](mailto:bluecoastscrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- xiii) In case of any queries, you may refer the Frequently Asked Questions (FAQ)- Shareholders and e-voting user manual - Shareholders available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

**B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):-**

- i) Initial password provided in the enclosed ballot form: EVEN (E-Voting Event Number)
- ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

**Voting at AGM: The members who have not cast their vote by remote e-voting can exercise their voting rights at the AGM. The Company will make arrangements of ballot papers in this regards at the AGM Venue.**

**C. Other Instructions:-**

- i) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholder available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- ii) The e-voting period commences on Monday 9:00A.M, 26th September 2016 and will end at 5:00 P.M. on Wednesday, 28th September 2016 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, he shall not be allowed to change it subsequently.
- iii) The voting rights of the Members shall be in proportion to their shares of the paid up share capital of the Company as on Thursday 22nd September, 2016 (end of day).
- iv) Mr. Prem Chand Goel, Practicing Company Secretary (Membership No. FCS 1434) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- v) The Scrutiniser shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall within 3 days of conclusion of the meeting submit a consolidated scrutiniser report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.
- vi) The results declared along with the Scrutinizers report shall be placed on Company's website [www.bluecoast.in](http://www.bluecoast.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two working days of the passing of the resolution at the 23rd AGM of the Company on 29th September 2016 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By Order of the Board  
For **Blue Coast Hotels Limited**

Place : New Delhi  
Date : 05.08.2016

(Sushil Suri)  
Chairman & Managing Director  
DIN : 00012028

CIN : L31200GA1992PLC003109  
Regd. Office:  
263C, Arossim,  
Cansaulim, Goa-403712





## EXPLANATORY STATEMENT

(Pursuant to Section 102 (1) of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4 to 6 of the accompanying Notice.

### Item No. 4

The Nomination & Remuneration Committee has recommended the appointment of Ms. Seema Joshi as an Independent Directors of the Company not liable to retire by rotation.

Mrs. Seema Joshi has given a declaration to the Board that she meets the criterion of independence as provided under Section 149(6) of the Act. In the opinion of the Board, proposed Director fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and she is independent to the management.

Further Company has received from Ms. Seema Joshi, the following disclosures as per the relevant provisions of the Companies Act, 2013:-

- Consent in writing to act as Director of the Company pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;
- Intimation in Form DIR-8, pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under Sub Section (2) of Section 164 of the Act.

The terms and conditions of appointment of the Director shall be open for inspection by the Members at the Corporate Office of the Company during normal business hours on any working day, except Saturday.

Disclosure u/r 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the annexure to the Explanatory Statement. Other details as required under ICSI Secretarial Standard SS-2 are also included in the Corporate Governance Report of the Annual Report of the Company.

### Item No. 5

The Nomination & Remuneration Committee has recommended the appointment of Mr. Madan Gopal Khanna as an Independent Directors of the Company not liable to retire by rotation.

Mr. Madan Gopal Khanna has given a declaration to the Board that he meets the criterion of independence as provided under Section 149(6) of the Act. In the opinion of the Board, proposed Director fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management.

Pursuant to Rule 13 of the Companies (Appointment & Qualification of Directors) Rules, 2014, the members of the Company are hereby informed that the Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 ("Act"), from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Mr. Madan Gopal Khanna, for the office of Independent Director of the Company.

Further Company has received from Mr. Madan Gopal Khanna, the following disclosures as per the relevant provisions of the Companies Act, 2013:-

- Consent in writing to act as Director of the Company pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;
- Intimation in Form DIR-8, pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Sub Section (2) of Section 164 of the Act.

The terms and conditions of appointment of the Director shall be open for inspection by the Members at the Corporate Office of the Company during normal business hours on any working day, except Saturday.

Disclosure u/r 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the annexure to the Explanatory Statement. Other details as required under ICSI Secretarial Standard SS-2 are also included in the Corporate Governance Report of the Annual Report of the Company.

**PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 WITH THE STOCK EXCHANGES AND SECRETARIAL STANDARD-2 ISSUED BY ICSI, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED IS FURNISHED BELOW:**

**Item No. 4 & 5**

Name of Director	Ms. Seema Joshi	Mr. Madan Gopal Khanna
Date of Birth	09.08.1968	07.01.1938
Date of Appointment in the Company	30.09.2014	29.02.2016
Qualification	Advocate	M.A. (Punjab University) Post Graduate Certificate in Management Studies from British Institute of Management Studies, 80, Fetter Lane, London E.C. 4
Date of last Re-appointment	N.A	N.A
Expertise in specific functional areas	Advocate by qualification and has a post qualification experience of more than 20 years in the field of Civil and Criminal Litigation.	<ul style="list-style-type: none"> <li>Worked with Brush Electrical Engineering Co. Ltd., Loughborough (Leics) U.K. as a Production Planner (1960–1965).</li> <li>Worked with Devidayal Stainless Steel Ind. P. Ltd. as Sales Manager. (1966 -1984)</li> <li>Worked with C. Mackertich Ltd initially as their Manager at Mumbai and subsequently as a Director till the closure of business and merger with Stewart &amp; Mackertich Wealth Management. (1986–2012)</li> </ul>
No. of equity shares held in the Company	Nil	Nil
Other Directorship (excluding Foreign)	Nil	1
Memberships/Chairmanships of Committees of other Companies (includes only Audit Committee and Shareholder/ Grievance Committee)	Nil	Nil
DIN	06946689	00330460

**Item No. 6**

The provisions of Section 188(1) of the Companies Act, 2013 governs Related Party Transactions requiring a Company to obtain prior approval of the Board of Directors and approval of shareholders by way of **Ordinary Resolution**: -

- a. Sale, purchase or supply of any goods or materials;
- b. Selling or otherwise disposing of or buying, property of any kind;
- c. Leasing of property of any kind;
- d. Availing or rendering of any services;
- e. Appointment of any agent for purchase or sale of goods, materials, service or property;
- f. Such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company; and
- g. Underwriting the subscription of any securities or derivatives thereof, of the Company

Further third proviso to Section 188(1) provides that nothing shall apply to any transaction entered into by the Company in its ordinary course of business other than the transactions that are on an arm's length basis.

The shareholders have at their meeting held on 30.09.2014 by way of Special Resolution approved the following transactions along with annual limits that your Company may enter into with its Related Parties for period of 3 years.

(Rs. in Crore)

<b>Maximum Value of Contract/Transaction (Per annum) w.e.f.01st October 2014</b>				
	<b>Transactions defined u/s 188(1) of the Act</b>			
	Sale / Purchase or supply of any goods, materials	Selling or otherwise disposing of or buying property of any kind	Leasing of Property of any kind	Availing or rendering of any services; Appointing of any agent for purchase or sale of goods, materials, services or property
Blue Coast Infrastructure Development Pvt. Ltd. (Related Party- hereinafter known as "BCIDPL")	Hotel/Travel Bookings – 1.00 Crore	NA	NA	Related Party and Sole selling Agent for the Villas proposed to be developed at Park Hyatt Goa, Resorts & Spa, as per Joint Development Agreement dated 31.03.2014



BCIDPL is not a related Party in terms of Rule 3 of Companies (Specification of Definitions, Details) Rules, 2014 since Ms. Seema Joshi appointment in the Company is as an “Independent Director” however as a matter of good Corporate Governance practice, the Company is approaching its members for their approval on the modification of the above Joint Development Agreement as mentioned below.

The Board of Directors on the recommendation and approval of Audit Committee of your Company have approved the addendum to the Joint Development Agreement vide their resolution dated 06.11.2015. The salient features of the addendum are as follows: -

- a. Name of the related party, name of the Director or Key Managerial Personnel who is related and nature of relationship: -
  - (i) Blue Coast Infrastructure Development Private Limited (“BCIDPL”).
  - (ii) Ms. Seema Joshi who is a wife of Mr. Manoj Joshi who is an Independent Director in BCIDPL.
  - (iii) BCIDPL is not considered as a related party pursuant to Rule 3 of Companies (Specification of Definitions, Details) Rules, 2014 since Ms. Seema Joshi and Mr. Manoj Joshi are both professionals and Independent Director in their respective Companies. However, the approval of the members is being taken as a good Corporate Governance Practice.
  - (iv) Nature, Material Terms, monetary value and particulars of the contract or arrangement: -
1. Nature of the Agreement –By virtue of the Agreement dated 31.03.2014, the Company had granted the rights to BCIDPL to develop Villas on the identified lands on a consideration of minimum guarantee @10,000 per sq. ft. for the minimum area of 50,000 sq. ft. and any surplus thereof was to be retained by BCIDPL however due to the sluggish economic and market conditions prevailing at that time and ongoing litigation with the secured lenders of the Company, the pre-construction approvals could not be obtained. In the meanwhile, the options to increase the revenue from operations were being explored and you Company opted to undertake the renovation of the existing rooms, development of the additional room inventory/hotel facilities therefore it was proposed that keeping in view the credentials of BCIDPL, the said contract be given to BCIDPL. Accordingly, an Addendum to the Joint Development Agreement was executed between your Company and BCIDPL, which is tabled before the members of the Company for their approval by way of a special resolution.
2. **Material Terms of the Addendum to the Joint Development Agreement:**
  - a). Date of Execution: 21.10.2015
  - b). Project: Park Hyatt Goa, Resorts and Spa Hotel Rooms renovation/ Addition
  - c). Commercials: -
    - i) The Company shall provide an advance from time to time to BCIDPL for undertaking the renovation of the existing room inventory and other hotel facilities and also the additions to the room inventory.
    - ii) The renovation/development shall be carried out in phases so as to cause least disturbance to the existing operations of the hotel.
  - d) **CONSIDERATION**
    - i) The Company shall pay to BCIDPL a professional fees of 6% of the running bills raised by BCIDPL on the Company;



- ii) The fees shall be earned by BCDIPL on the date of the certification of the bill by the Project Manager;
- iii) All taxes including but not limited to Service Tax, Works Contract Tax, Value Addition Tax (VAT), General Sales Tax (GST) as applicable from time to time shall be borne by the Company.

**e) TERMINATION**

The Agreement shall be binding and effective on the Parties and shall be co-terminus with the main Joint Development Agreement.

All other terms and conditions of the Joint Development Agreement dated 31.03.2014 shall also apply to this Addendum mutatis mutandum.

- 3. Whether all factors relevant to the contract have been considered, if not details of factors not considered with the rationale for not considering those factors:
  - All factors have been considered.
- 4. Any other information relevant or important to take decision on the proposed transaction: - NIL.

Members are hereby informed that pursuant to the second proviso of Section 188 (1) of the Companies Act, 2013, no member of the Company shall vote on such resolution to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

The Board of Directors of your Company has approved this item in the Board Meeting held on 06.11.2015 and recommends that the Resolution set out in accompanying notice for the approval of members of the Company as Special Resolution.

Except Ms. Seema Joshi, no other Director is concerned or interested in the Resolution.

By Order of the Board  
For **Blue Coast Hotels Limited**

**(Sushil Suri)**  
Chairman & Managing Director  
DIN : 00012028

Place : New Delhi  
Date : 05.08.2016

CIN : L31200GA1992PLC003109  
Regd. Office:  
263C, Arossim,  
Cansaulim, Goa-403712

## DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their 23rd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

### FINANCIAL HIGHLIGHTS

The Board's Report is prepared based on the standalone financial statements of the Company. The Company's financial performance for the year under review alongwith previous year's figures are given hereunder:

(Rs. in Lacs)

PARTICULARS	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
Income from Operations	11543.78	10,665.99	11,543.78	10,665.99
Expenses	(8658.36)	(8,131.49)	(8657.07)	(8,130.13)
Depreciation	(605.18)	(519.16)	(605.18)	(519.16)
Profit from Operations before Finance Cost & Tax	2280.24	2,015.34	2281.53	2,016.69
Other Income	61.40	99.44	61.40	99.44
Profit before Interest & Tax	2341.64	2,114.78	2342.93	2,097.37
Interest / Finance Charges - Operation	(679.07)	(758.67)	(679.07)	(758.67)
Operating Profit before Tax	1662.57	1,356.11	1663.86	1,338.70
Interest / Finance Charges - New Hotel Projects	(1160.00)	(3,336.49)	(1160.00)	(3,336.49)
Profit (Loss) before Tax	502.57	(1,980.38)	503.86	(1,997.79)
Deferred Tax Asset ( Liability)		—		—
Profit (Loss) after Tax	502.57	(1,980.38)	503.87	(1,979.03)
Share of Minority interest in Profit/Loss		—	—	—
Net Profit/(Loss) for the Year available for majority shareholders	502.57	(1,980.38)	503.87	(1979.03)



**OPERATIONS**

The year under operation has been one of the most successful years since the opening of the Hotel, the Company's has registered a growth of 8.22% in its income from operations as compared to the previous year, and its operating profit has grown by 11% as compared to the previous year. The Company has been able to generate a net profit of Rs. 5.03 Crore in the Financial Year 2015-2016. However the company continued to face the various litigations from its secured lenders and debenture holders and in view of the pending adjudications and determination of liabilities by the Court, the Company has provided for an interest at simple contracted rate on term loan from financial institution and did not provided for an interest on debentures. Your directors are pleased to inform you that Park Hyatt Goa Resort & Spa continues to be the trophy property of Goa and was the winner of "Runner Up award" under the category of "Favorite leisure hotel in India" and "Favorite destination spa in India" for its Sereno Spa, by the Conde Nast Traveller India Readers' Travel Awards, 2015.

Your directors also inform that during the year, the Honorable High Court of Bombay was pleased to quash and set aside the alleged auction sale of the hotel property of the Company and directed secured Lender "IFCI Limited" to refund the sale consideration to auction purchaser "ITC Limited". The members may kindly note that subsequently ITC Ltd and IFCI Ltd have filed a "Special Leave Petition" before the Honorable Supreme Court against the judgement of the Hon'ble Bombay High Court. The Hon'ble Supreme Court of India did not granted the stay against the order of the Hon'ble Bombay High Court however it ordered that "Status Quo" in favour of the Company as on 22.04.2016 be maintained and further ordered that the amounts paid by ITC Limited in the auction purchase shall remain with the IFCI Limited until further orders.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the Company during the financial year ended 31st March, 2016.

**SHARE CAPITAL**

During the year under review, there was no change in the shareholding of either the Promoters or Public.

The shares issued by Company continued to be listed at following Stock Exchanges as on 31st March, 2016.

1. National Stock Exchange of India Limited. (NSE)
2. Bombay Stock Exchange Limited (BSE)

**DIVIDEND**

In view of inadequate profit made by the Company during the year, it was not feasible to the Board of Directors to recommend any dividend for the Financial Year 2015-16.

**TRANSFER OF ACCOUNTS TO INVESTOR EDUCATION & PROTECTION FUND**

Your company did not have any fund lying unpaid or unclaimed for a period of 7 years. Therefore there were no funds which were required to be transfer to IEPF.

**PUBLIC DEPOSITS**

During the period under review, your Company has not accepted, renewed or invited any public deposit and no amount of principal or interest was outstanding on the deposits as on the Balance Sheet Date.

**DIRECTORS**

During the year under review, Mr. Madan Gopal Khanna was appointed as an Additional Director under the Category of Independent Director and Ms. Seema Joshi was designated as an Independent Director on the Board of the Company on 5th August, 2016. The above appointments/change in designation was made upon the recommendation of the Nomination and Remuneration Committee of the Company.

Due notice under section 160 of the Companies Act, 2013 have been received from Members of the Company proposing the appointment of Mr. Madan Gopal Khanna as Independent Director of the Company at this Annual General Meeting.

Appropriate Resolution(s) seeking your approval to the appointment/ re-appointment of Directors are also included in the Notice.

Pursuant to the provisions of Section 152 of Companies Act 2013, Mr. Kushal Suri, the Non-Executive Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment.

#### **BOARD EVALUATION**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and schedule IV of the Companies Act, 2013 and, the Board has constantly monitored and reviewed the Board evaluation framework. As per the provisions, the Board has made formal evaluation of its own performance and that of its committees and individual directors and that the same was done excluding the Director being evaluated.

#### **DECLARATION BY INDEPENDENT DIRECTOR (S) AND RE-APPOINTMENT, IF ANY**

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

#### **MEETINGS OF BOARD OF DIRECTORS**

During the year under review, the Board of Directors met 4 (Four) times to transact the business of the Company, the details of which are given in Corporate Governance Report.

Further, a separate Meeting of the Independent Directors of the Company was also held on 12th February, 2016, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were discussed.

#### **POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

The policy to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board, and separate its function of management and governance is followed this year as well. As on March 31, 2016, the Board consists of 7 Directors comprising a Chairman and Managing Director, Two Non-executive Directors (including one-woman director) and four Independent Directors. The Board periodically evaluates the need for change in its composition and size.

The Policy on Directors appointment and remuneration, including criterion determining the qualifications, positive attributes, independence of a Director and other matters provided under Sub Section (3) of Section 178 of the Companies Act, 2013, adopted by the Board is available on the website of the Company at [www.bluecoast.in](http://www.bluecoast.in).

#### **INDEPENDENT DIRECTORS TRAINING/MEETING**

During the year under review, a separate meeting of the Independent Directors of the Company was held on 12th February, 2016, without the presence of other Directors and members of Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, performance of Chairperson of the Company and assessed the quality, quantity and time lines of flow of information between the Company management and the Board. The Company Secretary acted as a secretary to the Meeting.



To familiarize the new inductees with the strategy, operations and functions of the Company, the Executive Directors/senior managerial personnel make presentations to the inductees about the Company's strategies, operations. Further at the time of joining, the Independent Directors are issued a formal letter of appointment outlining his/her role, functions, duties and responsibilities as a director. The format of Letter of appointment is available on the website of the Company at [www.bluecoast.in](http://www.bluecoast.in).

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134 (3) (c) of the Companies Act, 2013, ("Act"):

- a) in the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, wherever applicable;
- 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 at the end of the financial year and of the profit or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for 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 prevention and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **MANAGERIAL REMUNERATION AND OTHER DISCLOSURES**

The disclosures as required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a) Ratio of the remuneration of each Director to the median employee's remuneration and other details pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The aforesaid Disclosure is annexed and forms part of this report as **ANNEXURE 'A'**.

- b) Detail of every employee of the Company as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The aforesaid Disclosure is annexed and forms part of this report as **ANNEXURE 'B'**.

- c) No Director of the Company, including its Managing Director, is in receipt of any commission from the Company or its Subsidiary Companies.

#### **AUDITORS**

##### **i) STATUTORY AUDITORS**

The Statutory Auditors, M/s. M. Kamal Mahajan and Co., Chartered Accountants, (Registration No. 006855N) were appointed by the shareholders in their 21st Annual General Meeting to hold office till conclusion of 24th Annual General Meeting to be held in the year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every subsequent Annual General



Meeting. Accordingly the appointment of M/s. M. Kamal Mahajan & Co., Chartered Accountants, as the statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if their appointment were ratified, it would be in accordance with Section 141 of the Companies Act, 2013.

## ii) SECRETARIAL AUDIT

During the year under review, the Company has appointed Mr. Prem Chand Goel, Practicing Company Secretary, (C.P No 457) Ghaziabad to conduct the Secretarial Audit of the Company as per the provisions under section 204(1) of the Companies Act 2013 and other laws as applicable for the financial year 2015-16. The Report in Form MR-3 is enclosed as **Annexure - 'C'** to this Annual Report and there are no qualifications, reservations and adverse remarks made by Secretarial Auditor in their Report, if any are self explanatory.

### EXPLANATION TO AUDITOR'S REPORT

**Regarding Point 1 and 2 of the Secretarial Audit Report**– Reply as above in the Explanation to Auditors Report

**Regarding Point interest free loan to subsidiaries** – The Company had incorporates two wholly owned subsidiaries as special purpose vehicles (SPV) in name of Blue Coast Hospitality Limited and Golden Joy Hotel Private Limited and under the Section 372A(8) of the erstwhile Companies Act 1956, the interest free loans granted to the Wholly Owned Subsidiaries were exempt. Hence your Directors in consultation with the Statutory Auditors deemed it fit that no interest be charged to the earlier transactions.

## iii) INTERNAL AUDITOR

During the year under review, pursuant to Section 138 and any other applicable provisions of the Companies Act 2013, M/s. KSMN & Company has been re-appointed as the Internal Auditors for the Financial Year 2015-16.

### COMMITTEES OF THE BOARD

Currently, the Board has four Committees: the Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee. The composition of the Committees, as per the applicable provisions of the Act and Rules thereof is as follows: -

Name of the Committee	Composition of the Committee	Designation
AUDIT COMMITTEE	Mr. Praveen Kumar Dutt Mr. Ashok Kini Dr. Vijay Mohan Kaul Ms. Seema Joshi	Chairman Member Member Member
NOMINATION AND REMUNERATION COMMITTEE	Mr. Ashok Kini Mr. Praveen Kumar Dutt Dr. Vijay Mohan Kaul	Chairman Member Member
STAKEHOLDER RELATIONSHIP COMMITTEE	Ms. Seema Joshi Dr. Vijay Mohan Kaul Mr. Praveen Kumar Dutt Mr. Ashok Kini	Chairman Member Member Member
CORPORATE SOCIAL RESPONSIBILITY COMMITTEE*	Mr. Sushil Suri Ms. Seema Joshi Mr. Madan Gopal Khanna	Chairman Member Member

\*CSR committee constituted on 5th August, 2016.

A detailed note on the Board and its Committees is provided under the Corporate Governance Report Section in this Annual Report.



## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As per provisions of section 135 of the Companies Act, 2013 a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. However, since there have been continuous losses for last two financial years hence no amount shall required to be spent on CSR for FY 2016-17.

## **WHISTLE BLOWER/VIGIL MECHANISM**

The Company has established a Whistle Blower Policy /Vigil Mechanism through which its Directors, Employees and Stakeholders can report their genuine concern about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The said policy provides for adequate safeguard against victimization and also direct access to the higher level of superiors including Chairman of the Audit Committee in exceptional cases. The Audit Committee reviews the same from time to time. In compliance with Section 177 of the Act and the Listing Agreement, the same is available on the website of the Company at, [www.bluecoast.in](http://www.bluecoast.in).

## **RISK MANAGEMENT**

The Company has in place a mechanism to inform the Board about the risk assessment and minimisation procedures and periodical review to ensure that management controls risk through means of a properly defined framework.

The Company has formulated and adopted Risk Management Policy to prescribe risk assessment, management, reporting and disclosure requirements of the Company; the same is available on our website, [www.bluecoast.in](http://www.bluecoast.in).

## **VOTING RIGHTS**

In terms of the provisions contained in Section 47(2) of the Companies Act, 2013, the Preference Shareholders of the Company with respect to the 41,50,000, 10% Cumulative Redeemable Preference shares of Rs. 100/- each are entitled to vote on every resolution placed before the Company at the General Meeting. The existing Promoters/Promoters Group holds the said preference shares and there is no change in the management/ control of the Company.

## **EXPLANATION TO AUDITOR'S REPORT**

On Matters of Emphasis on Statutory Auditor's Report

1. Regarding allegedly auction of the hotel property under the provisions of the SARFAESI Act 2002.  
The said comment is self explanatory and does not require any explanation from the management except that the matter is listed before Supreme Court on 10th August, 2016.
2. Regarding the alleged termination notice for termination the Development Agreement & Service Agreement by DIAL in the matter of subsidiary company Silver Resort Hotels India Pvt. Ltd. (SRHIPL).  
The Hon'ble Artbrition Tribunal vide order dated July 24, 2016 has dismissed the application for interim order to continue as filed by SRHIPL.  
Further in the matter of winding up petition filled by DIAL the company has filled appropriate reply before the Hon'ble Bombay High Court.
3. Regarding the show cause notice received from the service tax department as against subsidiary company Silver Resort Hotels India Pvt. Ltd. (SRHIPL).  
The Company has filled appropriate reply before the department and the matter is sub-judice.
4. Regarding the dispute claim for non performance of obligation to Punjan Urban Development Authority (PUDA) pertaining to wholly owned subsidiary company Golden Joy Hotel Pvt. Ltd.  
The Company has filled appropriate reply before the authority and the matter is sub-judice.
5. Regarding debenture pending litigation against the Company and recovery proceedings thereto.  
The said comment is self explanatory and does not require any explanation from the management.

6. Regarding appropriateness of assumption of going concern:

The management is striving hard to generate requisite funds to enable the Company to meet its obligations.

#### **SUBSIDIARIES / JOINT VENTURES / ASSOCIATES**

The Company has following Subsidiaries / Associates as on March 31, 2016 namely:

1. Silver Resorts Hotels India Private Limited (Subsidiary Company)
2. Golden Joy Hotels Private Limited (Wholly Owned Subsidiary Company)
3. Blue Coast Hospitality Limited (Wholly Owned Subsidiary Company)&
4. Joy Hotel & Resort Private Limited (Associate Company).

The Company has entered into a Joint Ventures for the development of the high-end residential villa and undertaking the renovation & refurbishment of the hotel with one of the companies in the group which has an expertise and a requisite experience to undertake such activities on the terms and conditions which are not prejudicial to the interest of the members of the company .

During the year under review, the Board reviewed the affairs of the Subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its Subsidiaries, which form part of the Annual Report. Further, a Statement containing the salient features of the financial statements of our Subsidiaries and Associate, in the prescribed form, AOC -1 pursuant to Section 129 of the Companies Act, 2013 read with the Rule 5 of the Companies (Accounts) Rules, 2014 is annexed to this report as **ANNEXURE 'D'**.

In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements including the consolidated Financial Statements and related information of the Company and audited accounts of each of our Subsidiary are available on the website of the Company at [www.bluecoast.in](http://www.bluecoast.in). These documents are also available for inspection during the business hours at the Corporate Office of the Company situated at 415-417, Antriksh Bhawan, 22 KG Marg, New Delhi 110001.

#### **SEGMENT REPORTING**

Your Company's operations comprise of only one segment – Hotel Operations and accordingly, there are no separate reportable segments as envisaged by Accounting Standard 17

#### **LISTING**

The shares of your Company are listed at Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai. The listing fees up to date have been paid to both the Stock Exchanges.

#### **EXTRACT OF ANNUAL RETURN**

The detailed extract of Annual Return in Form MGT-9 as required under Section 134(3) (a) of the Companies Act, 2013 is annexed and forms part of this report as **ANNEXURE 'E'**.

#### **INTERNAL FINANCIAL CONTROLS**

The Company has an Internal Control System, commensurate with size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations. The Company's internal financial control procedures ensure that reliability of the financial statements of the Company and prepared in accordance with the applicable laws.

To maintain its objectivity and independence. The Internal Audit Team reports to the Chairman of the Audit Committee of the Board. Based on the internal audit report, process corrective action in their respective areas is taking





to strengthening the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. Team engaged in internal audit carries out extensive audit throughout the year across all functional areas, and submits its reports from time to time to the Audit Committee of the Board.

#### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT**

During the period between the end of the Financial Year and date of report, auction purchaser ITC Limited and secured lender IFCI Limited have filed a Special Leave Petition (SLP) in the Supreme Court of India which the Hon'ble Supreme Court has directed to maintain the Status Quo in favour of the Company in respect of Hotel Property with the Company and has further directed Secured Lender to retain the amounts paid by the Auction Purchaser to Secured Lender till the disposal of the SLP.

#### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS/COURTS/TRIBUNALS**

In the matter of alleged sale of "Park Hyatt Goa, Resorts and SPA" by the Secured Lender IFCI Limited to the auction purchaser ITC Limited, the Hon'ble High Court of Bombay has quash & set-aside the Order of Debt Recovery Appellate Tribunal (DRAT), Order of District Magistrate (DM) South Goa and has also cancelled the sale certificate issued to the auction purchaser by the secured lender in respect of the Hotel property under SARFAESI Act 2002. The Secured Lender & Auction Purchaser has filed a Special Leave Petition (SLP) before Hon'ble Supreme Court of India which has directed to maintain the Status Quo in respect of the Hotel Property.

Additionally, during the year under review, the subsidiary of your Company, Silver Resort Hotel India Private Limited (SRHIPL) invoked the arbitration under Section 9 of The Arbitration and Conciliation Act, 1996 against Delhi International Airport Private Limited (DIAL) and filed a petition requesting for the interim stay on the termination issued by DIAL terminating the Development Agreement granting rights to develop the hotel on Asset Area 3, Aerocity, New Delhi. The Honorable High Court of Delhi was pleased to dispose off the Section 9 petition with a direction that the letter of termination issued by DIAL to the SRHIPL terminating the Development Agreement, through the licence for the hotel plot was granted by DIAL to SRHIPL, will remain undisturbed, the DIAL shall refrain from taking any further action. The Hon'ble High Court of Delhi further referred the matter of the Hon'ble Arbitral Tribunal with a further direction that "Interim Orders shall continue till otherwise varied by the learned Arbitral Tribunal and now the matter is pending adjudication before Hon'ble Arbitral Tribunal

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the notes to the Financial Statements provided in this Annual Report.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The information relating to contracts or arrangements with related parties including certain arm's length transactions under third proviso of Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 is annexed in Form AOC - 2 and forms part of this report as **ANNEXURE 'F'**. In accordance with the requirements of the Listing Agreement, the Company has formulated policy on the related Party transactions and material subsidiaries. The said Policies is available on the website of the Company at [www.bluecoast.in](http://www.bluecoast.in).

#### **CORPORATE GOVERNANCE**

A Report on Corporate Governance along with a certificate from the Statutory Auditors of the Company regarding compliance with conditions of Corporate Governance as stipulated in Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this report and is annexed in the Corporate Governance Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed review of the operations, performance and other matters of the Company is set out in the Management Discussion and Analysis Report pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which forms part of this Annual Report as **ANNEXURE 'G'**.

### **DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company has in place a policy on prevention of sexual harassment at workplace on the line of the requirement of the Sexual Harassment of Women at The Work Place (Prevention, Prohibition & Redressed) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16

No. of Complaints received: 0

No. of Complaints disposed off: 0

### **HUMAN RESOURCES**

Your Company had been able to retain good and talented people. Significant number of employees have chosen to stay back with Company and have contributed a lot in smooth running of the Company.

Fair practices and equal opportunity has been afforded to employees at all levels. The Company is keeping these traditions alive and is making conscious effort to grow year after year. The Company understands that importance of Human capital and acts judiciously in rewarding its workforce. It has strong belief in collective efforts of all the team members. The inter-personal relationship amongst workers, staff and officers have always been cordial and healthy.

As on March 31, 2016, there were 496 employees working for the Company across all levels at various locations.

### **AWARDS AND RECOGNITION**

Park Hyatt Goa Resort and Spa received the following Awards & Accolades:

#### **Sereno Spa**

2015 – First runner up Conde Nast Readers Choice Awards 2015

2015 – First runner up as favorite destination SPA in India at Sereno SPA

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

Information pursuant to of the Companies Act, 2013 read with Rule 8 (3) of The Companies (Accounts) Rules, 2014 pertaining to the conservation of energy, technology absorption, foreign exchange earnings & outgo are set out as '**Annexure H**' to this report.

### **ACKNOWLEDGEMENT**

The Directors express their sincere appreciation of the co-operation and assistance received from the members, Bankers, eminent Lawyers, Hyatt International and other Business Associates. The Directors also wish to place on record their deep sense of appreciation for the commitment displayed by the Employees at all levels.

By Order of the Board  
For **Blue Coast Hotels Limited**

(**Sushil Suri**)

Chairman and Managing Director  
DIN: 00012028

Place: New Delhi  
Date: 05.08.2016

**ANNEXURE - A****DETAILS PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 RULES, 2014**

S. No.	Name of the Directors/KMP and Designation	Remuneration of Director/KMP for the Financial Year 2015-16 (Rs. In Lacs)	% increase in remuneration in the Financial Year 2015-16	Ration of remuneration of each Director/to median remuneration of employees.
1.	Mr. Sushil Suri* Managing Director	–	–	–
2.	Mr. Kushal Suri** Non Executive Director	–	–	–
3.	Mr. Madan Gopal Khanna*** Independent Director	–	–	–
4.	Ms. Seema Joshi Independent Director	0.45	–	–
5.	Mr. Ashok Kini Independent Director	0.30	–	–
6.	Mr. Praveen Kumar Dutt Independent Director	0.35	–	–
7.	Dr. Vijay Mohan Kaul Independent Director	0.45	–	–
8.	Mr. Dilip Bhagtani Chief Finance Officer	45.00	25.00	22.59
9.	Mr. Shivam Kumar Company Secretary	03.42	14.00	1.71

The median remuneration of employees of the Company during the Financial Year 2015-16 was INR 1,99,116.00 /-

- In the Financial year, there was an increase of 1.60% in the median remuneration of the employees;
- The number of the permanent employee on the payrolls of the company as of March 31, 2016 and March 31, 2015 was 496 and 458 respectively.
- Average percentage increase made in the salaries of the employee other than the managerial personnel in the financial year i.e. 2015-16 was 9.72% where as the managerial remuneration for the same financial year was nil as managerial personnel not drawing any remuneration during the year.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for the Directors/KMPs/ Employees.

\* Vide shareholders' resolution dated 30.09.2015, Mr. Sushil Suri was appointed as a Chairman and Managing Director at NIL remuneration.

\*\*Mr. Kushal Suri being from Promoter family did not take any sitting fees from the Company.

\*\*\*Appointed by circular resolution on 29th February 2016



## ANNEXURE - B

### DETAILS PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

Employee Name	Designation	Educational Qualification	Age	Experience (years)	Date of joining	Gross remuneration paid (INR)	Previous employment and designation	Nature of Duties
Mr. Thomas Abraham	General Manager (Administration & General)	Graduate in Hotel Management	48	24	February 2012	1,08,09,223.92/-	Resident Manager Grand Hyatt Mumbai (Nov 2009 to Feb 2012)	Hotel Operations
Mr. Saulo Bacchilega	Executive Chef (Administration & General)	Graduate in Hotel Management	48	24	August 2010	96,22,968.00/-	Executive Chef Hyatt Regency HuaHin (July 2007 to August 2010)	Hotel Operations
Mr. Dilip Bhagtani	Group CFO	CA, LLB, MBA, IFRS, CS, IFRS,	52	27	Feb 2010	45,00,000.00/-	Director Finance Duet India Hotels Pvt. Ltd.	Finance & amp; Accounts
Mr. Subhrajit Bardhan	EAM Rooms	Graduate in Hotel Management	43	19	May 2013	34,73,268.00/-	Hyatt Amritsar (General Manager)	Hotel Operations
Mr. V R Chandrasekharan	Director of Engineer	BE Electrical	56	38	December 2012	32,50,000.00/-	Starling Holidays (Corporate Chief Engineer)	Hotel Operations
Mr. Srinivasan Raman	Director of Food and Beverage	Graduate in Hotel Management	36	16	June 2012	27,18,492.00/-	Grand Hyatt Muscat (Asst. Director of F&B)	Hotel Operations
Mr. Bharat Ratanpal	Director of Sales and Marketing	Graduate in Hotel Management	34	13	April 2013	26,42,484.00/-	Grand Hyatt Goa (Director of Sales)	Sales & Marketing
Mr. Suraj Gaunkar	Director of Finance	Graduate in Hotel Management	44	20	August 2014	23,97,732.00/-	Grand Hyatt Mumbai (Asst. Director of Finance)	Financial Operations
Mr. Chiranjib De	Director of Human Resources	Graduate	40	15	October 2014	19,80,660.00/-	Personnel Manager (Hyatt Regency Kolkata)	Human Resources Operation
Mr. Shobhit Sawhney	General Manager (Administration & General)	Graduate in Hotel Management	37	16	March 2016	19,41,684.00/-	Grand Hyatt Mumbai (Hotel Manager)	Hotel Operations



**ANNEXURE - C**  
**SECRETARIAL AUDIT REPORT**  
**Form No. MR-3**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule

No.9 of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014]

**To,**

**The Members,**

**Blue Coast Hotels Ltd.**

**GOA**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Blue Coast Hotels Ltd having its Registered Office at 263C, Arossim, Cansaulim, Goa – 403712, CIN – L31200GA1992PLC003109 (Hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- a. The Companies Act, 2013 (the Act) and the rules made there under;
- b. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made thereunder;
- c. The Depositories Act, 1996 and the Rules and Regulations framed thereunder;
- d. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- e. The following regulations and Guidelines as prescribed under the Securities and Exchange Board of India Act, 1992(SEBI Act):-
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover ) Regulations, 2011;
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009;
  - iv. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999;

- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- viii. The Securities and Exchange Board of India (Buyback of Securities ) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

- a. The Listing Agreements entered by the Company with National Stock Exchange of India Limited and Bombay Stock Exchange
- b. The clauses of the Secretarial Standard as issued by the Institute of the Company Secretaries of India.

#### **IFURTHER REPORT THAT**

The Board of Directors of the Company is duly constituted of the Woman Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors of the Company with regard to the schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the resolutions have been passed unanimously and did not find any dissenting views in the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

**I further report that** the company owned Park Hyatt Hotel located at Cansaulim, Goa. The said hotel was auctioned by IFCI under SARFAESI act, 2002 which was contested by the company before the Hon'ble High court of Bombay. The Hon'ble court vide its judgment dt. 23.03.2016 quash and set aside the alleged auction sale of the property and directed the secured lender IFCI Limited to refund the sale consideration to the purchaser ITC Limited. Thereafter the ITC Limited alongwith IFCI Limited approached the Hon'ble Supreme Court of India. The Hon'ble Supreme court on 22nd April, 2016 ordered to maintain the 'Status Quo' in favour of the Company and that the amount paid by ITC limited shall remain with the IFCI Limited until further orders. The Hotel property continues to be operated under the brand name "Park Hyatt Goa Resort & Spa".

The Company has defaulted towards its debenture holders and that the company has not provided any interest etc on debentures pending litigation and recovery proceedings during the year.

**I further report that** as per records of the company:

No amount was required to be transferred to the Investor Education and Protection Fund by the Company during the year.

The company has not accepted any public deposits during the year.



The Company has granted fresh unsecured loan of Rs. 0.75 lac during the year to its two wholly owned subsidiary companies. Also old interest free unsecured loan to its two wholly owned subsidiary companies amounting to Rs. 463.97 lacs are outstanding as on 31.03.2016.

Subject to the above the company has not given any fresh loan or provided any guarantee to other body corporate however loan and guarantee provided by the company in previous years preceding to previous financial years which stands in the books of the company exceeds sixty per cent of its paid up share capital, free reserves and share premium account or one hundred per cent of its free reserve and share premium account whichever is more. This has happened due to reduction of reserves in the previous financial year.

During the audit period the company has obtained the consent of members in the Annual General Meeting of the company held on 30th September, 2015 for the appointment and payment of remuneration to Mr. Sushil Suri the Chairman & Managing Director and for the appointment of one independent Director and one Non Executive Non Independent Director.

**This report is to be read with our letter of even date which is annexed as annexure A and forms as integral part of this report.**

**Date: 05.08.2016**  
**Place: Ghaziabad**

**Prem Chand Goel**  
**CP. No: 457**

## **ANNEXURE-A**

**To,**  
**The Members**  
**Blue Coast Hotels Limited**  
**Goa**

**Our report of even date is to be read along with this letter.**

### **Management's Responsibility**

1. It is the responsibility of the management of the company to maintain the secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### **Auditor's Responsibility**

2. My responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliance.
3. I believe that audit evidence the information obtained from the Company's management is adequate and appropriate for me to provide a basis for our opinion.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.



5. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

**Disclaimer**

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Date: 05.08.2016**

**Place: Ghaziabad**

**Prem Chand Goel**

**CP. No: 457**



# ANNEXURE - D

## FORM AOC-I

### Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Part "A": Subsidiaries

Name of the Company	Silver Resorts Hotels India Private Limited	Golden Joy Hotels Private Limited	Blue Coast Hospitality Limited
Category	Subsidiary Company	Subsidiary Company	Subsidiary Company
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2015 to 31-03-2016	01-04-2015 to 31-03-2016	01-04-2015 to 31-03-2016
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	—	—	—
Share Capital	27351	5	5
Reserves & Surplus	(68.24)	(3.68)	(9.28)
Total Assets	48015.19	261.67	203.96
Total Liabilities	21433.75	260.35	208.24
Investments	701.31	—	—
Turnover	—	—	—
Profit/(Loss) before taxation	—	(0.55)	(0.74)
Provision for taxation	—	—	—
Profit after taxation	—	(0.55)	(0.74)
Proposed Dividend	—	—	—
% of Shareholding	68.92	100	100

#### Part "B": Associates

Particulars	Joy Hotel & Resort Private Limited
1. Latest audited Balance Sheet Date	31-Mar-2015
2. Shares of Associate held by the company on the year end	
Numbers	15600
Amount of Investment in Associate	4275.00 Lacs
Extend of Holding %	30.59%
3. Description of how there is significant influence	Ownership of 20% or more of the voting power
4. Reason why the associate/joint venture is not consolidated	Ownership of less than 50% of the Voting Power and no control over the Board
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	5841.47 Lacs
6. Profit/Loss for the year	Nil
i. Considered in Consolidation	Nil
i. Not Considered in Consolidation	Nil

**ANNEXURE- E**  
**FORM NO. MGT-9: EXTRACT OF ANNUAL RETURN**  
**As on Financial Year Ended on 31st March, 2016**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- |  |   |  |
|--|---|--|
| i) CIN   | : | L31200GA1992PLC003109  |
| ii) Registration Date  | : | 27/07/1992 DOI   |
| iii) Name of the Company   | : | <b>BLUE COAST HOTELS LIMITED</b>   |
| iv) Category/Sub-Category of the Company                                       | : | <b>Public Company/ Limited By Shares</b>   |
| v) Address of the Registered Office and Contact Details                        | : | 263C AROSSIM,CANSAULIM, GOA;<br>Tel No.: +91 832 2721234<br>Fax No.: +91-832 2721235<br>Email Id: info@bluecoast.in  |
| vi) Whether Listed Company   | : | Yes  |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | : | <b>RCMC Share Registry Private Ltd.</b><br>B-25/1, Okhla Industrial Area,<br>Phase -2, Near Rana Motors,<br>New Delhi - 110020<br>Website : www.rcmdelhi.com |

**PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

S. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to Total Turnover of the Company
1.	Hotel	6910	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	<b>SILVER RESORT HOTEL INDIA PRIVATE LIMITED</b> Address: 263C Arossim, Cansaulim, Goa 403712; Tel No.: +91 832 2721234 Fax No.: +91-832 2721235	U55101GA2010PTC006298	Subsidiary	68.92	2 (87)



2.	<b>GOLDEN JOY HOTEL PRIVATE LIMITED</b> Address: 33-34, Chandigarh Industrial & Business Park Phase - II, Tribune Chowk Chandigarh, 160002	U55101CH2009PTC031810	Wholly Owned Subsidiary	100	2 (87)
3.	<b>BLUE COAST HOSPITALITY LIMITED</b> Address: 263C Arossim, Cansaulim, Goa 403712; Tel No.: +91 832 2721234 Fax No.: +91-832 2721235	U55101GA2007PLC005101	Wholly Owned Subsidiary	100	2 (87)
4.	<b>JOY HOTEL AND RESORTS PRIVATE LIMITED</b> Address: 33-34, Chandigarh Industrial & Business Park Phase - II, Tribune Chowk Chandigarh, 160002	U24121CH1972PTC003096	Associate	30.60	2 (6)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of total Equity)**

**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	403100	601941	1005041	7.88	1005041	0	1005041	7.88	3.34
b) Central Govt. or State Govt.	0	0	0	0.00					0.00
c) Bodies Corporates	3539700	3281754	6821454	53.51	6821254	200	6821454	53.51	13.58
d) Bank/FI	0	0	0	0.00					0.00
e) Any other	0	0	0	0.00					0.00
<b>SUB TOTAL:(A) (1)</b>	<b>3942800</b>	<b>3883695</b>	<b>7826495</b>	<b>61.39</b>	<b>7826295</b>	<b>200</b>	<b>7826495</b>	<b>61.39</b>	<b>16.91</b>



Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter</b>									
<b>(A)= (A)(1)+(A)(2)</b>	<b>3942800</b>	<b>3883695</b>	<b>7826495</b>	<b>61.39</b>	<b>7826295</b>	<b>200</b>	<b>7826495</b>	<b>61.39</b>	<b>16.91</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
C) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non Institutions</b>									
a) Bodies Corporates	2353596	340	2353936	18.47	2352161	340	2352501	18.45	-8.11
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	137304	72623	216927	1.70	138922	79223	218145	1.71	-0.67



Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	31757	0	31757	0.25	31757	0	31757	0.25	-0.11
c) Others (specify)									
Clearing Members	477	0	477	0.00	684	0	684	0.01	0.00
Non Residents	6403	300	6703	0.05	6403	300	6703	0.05	-0.08
Foreign Company	2312162	0	2312162	18.14	2312162	0	2312162	18.14	18.14
Trusts	0	0	0	0.00	10	0	10	0	-26.08
<b>SUB TOTAL (B)(2):</b>	<b>4841699</b>	<b>79963</b>	<b>4921962</b>	<b>38.61</b>	<b>4842099</b>	<b>79863</b>	<b>4921962</b>	<b>38.61</b>	<b>-16.91</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>4841699</b>	<b>79963</b>	<b>4921962</b>	<b>38.61</b>	<b>4842099</b>	<b>79863</b>	<b>4921962</b>	<b>38.61</b>	<b>-16.91</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	
<b>Grand Total (A+B+C)</b>	<b>8784499</b>	<b>3963658</b>	<b>12748457</b>	<b>100.00</b>	<b>12668394</b>	<b>80063</b>	<b>12748457</b>	<b>100.00</b>	<b>0.00</b>

**ii) Shareholding of Promoters:**

S. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1	Aanchal Suri	20200	0.16	0.16	20200	0.16	0.16	0.00
2	Anju Suri	25200	0.20	0.2	25200	0.20	0.2	0.00
3	Anubhav Suri	20200	0.16	0.16	20200	0.16	0.16	0.00
4	Arun Suri	63600	0.50	0	63600	0.50	0	0.00
5	Brook Investments & Financial Services Pvt Ltd	481407	3.78	2.51	481407	3.78	2.51	0.00
6	Concept Credits & Consultants Pvt. Ltd	320000	2.5	2.51	320000	2.51	2.51	0.00

ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			%
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
7	Epitome Holdings Pvt. Ltd	596699	4.68	2.51	596699	4.68	2.51	0.00
8	Gulfy Suri	20200	0.16	0.16	20200	0.16	0.16	0.00
9	Kanta Suri	25400	0.20	0	25400	0.20	0	0.00
10	Kushal Suri	20200	0.16	0.16	20200	0.16	0.16	0.00
11	Liquid Holdings Pvt. Ltd	599214	4.70	2.51	599214	4.70	2.51	0.00
12	Mamta Suri	331718	2.60	0.7	331718	2.60	0.7	0.00
13	Mid Med Financial Services & Investments Pvt. Ltd	597087	4.68	2.51	597087	4.68	2.51	0.00
14	P L Suri	30400	0.24	0.24	30400	0.24	0.24	0.00
15	React Investments & Financial Services Pvt. Ltd	596699	4.68	2.51	596699	4.68	2.51	0.00
16	Sanjay Suri	30400	0.24	0.24	30400	0.24	0.24	0.00
17	Sanjay Suri H U F	24272	0.19	0	24272	0.19	0	0.00
18	Scope Credits & Financial Services Pvt. Ltd	596699	4.68	2.51	596699	4.68	2.51	0.00
19	Seed Securities & Services Pvt. Ltd	645311	5.06	2.51	645311	5.06	2.51	0.00
20	Shivalik Pesticides & Chemicals Ltd	200	0.00	0	200	0.00	0	0.00
21	Solace Investments & Financial Services Pvt. Ltd	1146196	8.99	2.66	1146196	8.99	2.66	0.00
22	Solitary Investments & Financial Services Pvt. Ltd	645243	5.06	2.51	645243	5.06	2.51	0.00
23	Square Investments & Financial Services Pvt. Ltd	596699	4.68	2.51	596699	4.68	2.51	0.00
24	Sunita Suri	360151	2.83	0.2	360151	2.83	0.2	0.00
25	Sushil Suri	33100	0.26	0.26	33100	0.26	0.26	0.00
	<b>TOTAL</b>	<b>7826495</b>	<b>61.39</b>	<b>30.22</b>	<b>7826495</b>	<b>61.40</b>	<b>30.22</b>	<b>0.00</b>



**iii) Change in Promoters' Shareholding (Please specify, if there is no change):**

During the year, there is no change in the shareholding of promoter group of the Company.

**iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

Sl. No	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning (01.04.2015) / No. of shares at the beginning (31.03.2016)	% of total shares of the company				No of shares	% of total shares of the company
1.	FERRY HOLDINGS LTD.	1162162	13.11	01.04.2015		Nil Movement	1162162	13.11
		1162162	13.11	31.03.2016		During the Year		
2.	JETTY CAPITAL LTD.	1150000	12.97	01.04.2015		Nil Movement	1150000	12.97
		1150000	12.97	31.03.2016		During the Year		
3.	NORTHERN PROJECTS LTD.	970000	10.94	01.04.2015		Nil Movement	970000	10.94
		970000	10.94	31.03.2016		During the Year		
4.	POINT INVESTMENTS PVT. LTD.	303700	3.43	01.04.2015		Nil Movement	303700	03.43
		303700	3.43	31.03.2016		During the Year		
5.	PRAVEEN ELECTRONICS PVT. LTD.	302580	3.41	01.04.2015		Nil Movement	302580	03.41
		302580	3.41	31.03.2016		During the Year		
6.	MORGAN VENTURE LTD.	287561	03.24	01.04.2015		Nil Movement	287561	03.24
		287561	03.24	31.03.2016		During the Year		
7.	NAMEDI LEASING AND FINANCE LTD.	119400	01.35	01.04.2015		Nil Movement	119400	01.35
		119400	01.35	31.03.2016		During the Year		



iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014) / No. of shares at the beginning (31.03.2015)	% of total shares of the company				No of shares	% of total shares of the company
8.	POYSHA FINCORP PVT. LTD.	48739	00.55	01.04.2015		Nil Movement During the Year	48739	00.55
		48739	00.55	31.03.2016				
9.	SANJEEV JAIN	31757	00.36	01.04.2015		Nil Movement During the Year	31757	00.36
		31757	00.36	31.03.2016				
10.	COMPETENT FINMAN PVT. LTD.	25035	00.28	01.04.2015		Nil Movement During the Year	25035	00.28
		25035	00.28	31.03.2016				

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Promoters	Shareholding at the end of the year		Cumulative Shareholding during the year*	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>A.</b>	<b>DIRECTORS :</b>				
	MR. SUSHIL SURI	33100	0.26	0	0.00
	MR. KUSHAL SURI	20200	0.16	0	0.00
	MR. ASHOK KINI	0	0.00	0	0.00
	MR. PRAVEEN KUMAR DUTT	0	0.00	0	0.00
	DR. VIJAY MOHAN KAUL	0	0.00	0	0.00
	MS. SEEMA JOSHI	700	0.00	0	0.00
	MR. MADAN GOPAL KHANNA	0	0.00	0	0.00
<b>B.</b>	<b>KEY MANAGERIAL PERSONNEL (KMP):</b>				
	MR. DILIP BHAGTANI	0	0.00	0	0.00
	MR. SHIVAM KUMAR	0	0.00	0	0.00



## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding /accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	22,785.59	–	–	22,785.59
ii) Interest due but not paid	6,020.51	–	–	6,020.51
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	<b>28,806.10</b>	<b>–</b>	<b>–</b>	<b>28,806.10</b>
Change in Indebtedness during the financial year				
* Addition	1,935.86	–	–	1,935.86
* Reduction	–	–	–	–
Net Change	1,935.86	–	–	1,935.86
Indebtedness at the end of the financial year				
i) Principal Amount	22,269.43	–	–	22,269.43
ii) Interest due but not paid	8,472.53	–	–	8,472.53
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	<b>30,741.96</b>	<b>–</b>	<b>–</b>	<b>30,741.96</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount (Rs. In Lakhs)
		<b>Mr. Sushil Suri*</b> <b>Chairman &amp; Managing Director</b>	
1.	Gross salary	NIL	NIL
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	–	–
	b) Value of perquisites under Section 17(2) Income-tax Act, 1961	–	–
	c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission - as % of profit	–	–
5.	Others, please specify	–	–
	<b>Total (A)</b>	<b>NIL</b>	<b>NIL</b>
	Ceiling as per the Act		

\* Vide shareholders' resolution dated 30.09.2015, Mr. Sushil Suri was appointed as a Chairman and Managing Director at NIL remuneration.

### B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs. In Lakhs)
		Mr. Ashok Kini	Dr. V.M. Kaul	Mr. P.K. Dutt	Mr. M.G. Khanna	
<b>1.</b>	<b>Independent Directors</b>					
	• Fee for attending board committee meetings	30,000/-	45,000/-	35,000/-	–	1.10
	• Commission	–	–	–	–	–
	• Others, please specify	–	–	–	–	–
	Total (1)	30,000/-	45,000/-	35,000/-	–	1.10
<b>2.</b>	<b>Other Non-Executive Directors</b>	<b>Mrs. Seema Joshi</b>	<b>Mr. Kushal Suri*</b>			
	• Fee for attending board committee meetings	45,000/-	NIL	–	–	0.45
	• Commission	–	–	–	–	–
	• Others, please specify	–	–	–	–	–
	Total (2)	45,000/-	NIL	–	–	0.45
	Total (B) = (1 + 2)	<b>75,000/-</b>	<b>45,000/-</b>	<b>35,000/-</b>	–	<b>1.55</b>
	<b>Total Managerial Remuneration (A + B)</b>	<b>75,000/-</b>	<b>45,000/-</b>	<b>35,000/-</b>	–	<b>1.55</b>
	<b>Overall Ceiling as per the Act</b>	1% of Net Profits of the Company for all Non-Executive Directors				

\*Mr. Kushal Suri being from Promoter family did not take any sitting fees from the Company.


**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (Rs. In Lakhs)
		Mr. Dilip Bhagtani Chief Financial Officer	Mr. Shivam Kumar Company Secretary	
1.	Gross salary			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	45,00,000/-	3,42,000/-	48.42
	b) Value of perquisites under Section 17(2) Income-tax Act, 1961	—	—	—
	c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission	—	—	—
	- as % of profit	—	—	—
5.	Others, please specify	—	—	—
	<b>Total</b>	<b>45,00,000/-</b>	<b>3,42,000/-</b>	<b>48.42</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
<b>B. DIRECTORS</b>					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				



## ANNEXURE - F

### (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship Nature of contracts/arrangements/transaction Duration of the contracts/arrangements/transaction Salient terms of the contracts or arrangements or transaction including the value, if any Justification for entering into such contracts or arrangements or transactions' Date of approval by the Board Amount paid as advances, if any Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

#### 2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship - Blue Coast Infrastructure Development Pvt. Ltd. (significant influence)	YES
2.	Nature of contracts/arrangements/transaction - Joint Development Agreement (JDA) & addendum thereof.	
3.	Duration of the contracts/arrangements/transaction - up to 2017	
4.	Salient terms of the contracts or arrangements or transaction including the value, if any - refer to explanatory statement of the notice.	
5.	Date of approval by the Board - 30.09.2014	
6.	Amount paid as advances, if any - Rs. 2250.00 Lacs.	



## ANNEXURE - G

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

The government has voiced its intent to enhance the business environment and realise the country's growth potential by pursuing major supply-side reforms, aimed at boosting the productivity of land, labour and capital. This approach will be accompanied by initiatives in areas such as development of the smart cities, rural upliftment through Government Sponsored Schemes, urbanisation, healthcare, workforce training, skill development and digitisation. However, the administration will struggle to implement its reform pledges in full, as it faces strong opposition in the Rajya Sabha and from some civil-society organisations and labour unions. This will make it particularly difficult to pass reform legislation on land and labour reform in 2016-19. There are also concerns that the administration's rhetoric on reform does not match its actual commitment. A lack of progress on measures such as privatisation, which could use up a large amount of political capital, indicates that the administration is hesitant to pursue a wide-ranging programme of liberalisation.

The policy emphasis on attracting foreign investment—such as under the "Make in India" initiative, which aims to encourage growth in manufacturing—will not be accompanied by a similar drive to sign more free-trade agreements during the government's term. Without a strategic trade policy, which would expedite liberalisation within India in return for broader and deeper access to foreign markets, the expansion of the export-oriented sector will fall well below potential.

Most progress is currently being made in financial reform. The Reserve Bank of India (RBI, the Central Bank) is making progress on its efforts to recover the bad loans, reduce the amount of bad loans in the banking sector and enhance lending standards in compliance with prudent financial lending norms. The process, which will be supported by the recent passage of the Insolvency and Bankruptcy Code through parliament, is set to be finalised by March 2017 and will, once completed, lead to more efficient allocation of capital.

In another positive trend, reform momentum will pick up at subnational level. Key states that are responsible for a large share of manufacturing and exports (such as Gujarat, Tamil Nadu and Maharashtra) will implement reforms and ease the regulatory burden.

#### **The Business Environment :- S&M**

- We expect consumer price inflation to average 4.9% a year in 2016–2020.
- Relatively low global commodity prices which are set to remain well below the peaks seen in 2012 over the forecasted period will also support the RBI's efforts to contain inflation within its target.
- GST (Good and Services Tax) bill is likely to be passed in the current parliament session and will be implemented from April 2017.
- Overall, we expect global GDP growth to moderate slightly, from 2.4% in 2015 to 2.3% this year. Growth will accelerate to an average of 2.7% in 2017-18 as the outlook for emerging markets gradually improves. The global economy will then slow once more, to 2.2% in 2019, when we expect the end of the US business cycle to result in a mild recession, before recovering to 2.5% in 2020.
- In the United States, annual inflation will quicken to an average of 2%- 2.3% in 2016-18, before slowing in 2019 as economic demand declines. The dollar will soar against most currencies in 2016-17, the result of surging US

growth, higher interest rates and softness in many other economies (Especially Europe, UK, Japan and China).

- We then expect the euro to claw back some ground in 2018-20 as the spread between US and euro zone interest rates narrows.

#### **Indian Economic Indicators : S&M/Finance**

- GDP growth is expected to remain as 2016–7.4%, 2017–7.3%, 2018–7.3% (Source: Economic Intelligence Unit)
- Inflation is likely to be 2016–5.1%, 2017–5.4%, 2018–5% (Source : Economic Intelligence Unit)
- Expected that the currency will weaken to Rs 69.3Rs69.3: US\$1 on average in 2016 and Rs70.7: US\$1 in 2017, from Rs64.2: US\$1 in 2015. However, it is expected that Rupee will strengthen modestly against US\$ from mid 2018 with RBI tightening monetary policy.

#### **Political :- S&M/Finance**

- Stable governments both at the Centre and State likely to influence Tourism in a positive way
- Focus of the State Government with the help of the Centre on Infrastructure development like modernization of roads, bridges, airport and railways.
- Positive post-election scenario has aided FDI in various sectors which will help to boost the Indian Economy
- Addition of room inventory to Luxury category (W Resort – 105 keys, Hilton – 111 keys) in Goa will have impact on existing supply by last quarter of 2016.

#### **Major Assumptions S&M/Finance**

- Macro-economic conditions expected to be buoyant due to political & economic uncertainty in key source markets (Presidential elections in the United States, adverse impact on European Union and United Kingdom post BREXIT).
- Decline in Charter business continue from 2015 as Russian outbound to Asia has suffered damage due to Russian economic crisis since 2015 and will continue to lag in 2016 & 2017. Impact of drop in travel from Russia & CIS was partially compensated by growth from inbound markets such as UK, Germany, France & other European countries in 2016. However, these markets are expected to reflect a slowdown due to BREXIT. New markets of Kazakhstan, Armenia and Georgia are being tapped by Indian DMC's as well Foreign Tour operators to replace the void left by the Russian and Ukrainian markets.
- Incentive group is an upcoming opportunity as this segment has witnessed upward trends from Spain, Portugal, French and Arab markets since 2014.
- Domestic market decisions are being influenced by overload of options and increased airfares
- Minor revisions in taxation policy including service tax change for this year is expected. Relaxation of Luxury Tax during off season is expected to continue next year as well.



- f) With implementation of GST, the single largest advantage would be uniformity of tax rates and applicability of single rate, better utilization of input credit and benefits to end user in terms of lower prices. India would be able to attract more tourists in comparison to neighboring countries and lead to enhanced revenues to the government.
- g) Goa as a destination for leisure, wedding, Spa and MICE is evolving and growing however infrastructural reforms need to take place simultaneously.
- h) New hotels are planned to enter the market in 2016-2017 such as Four Seasons, W Retreat & Spa and Hilton; however the exact opening dates are yet to be announced.

**Macro – environmental elements:**

- International relations with BRICS, SAARC, ASEAN and USA to further strengthen with the newly formed Government
- GDP growth to average 7.4% a year driven by India's strong economic fundamentals – high saving and investment rates, rapid workforce growth, quickly expanding middle class and a shift from low productivity agriculture to higher productivity manufacturing
- Consumer price inflation likely to average at 4.9% a year in 2016-20. However, withdrawal of fuel subsidies or insufficient rains could increase inflation. On the other hand, subsidies introduced for fertilizers, power and a good harvest could decrease prices. Owing to some improvements in food-supply management, upside risks to inflation from food price spikes have decreased. This was evident in 2015, when food price inflation was low despite weak monsoon rains. Nevertheless, a particularly poor monsoon could result in a temporary spike in inflation.

**Room Rates: S&M**

Transient growth -The shift of individual travellers to new destinations and newer products available in the state have adversely affected the foot fall. Hence it is imperative to focus on the transient segment moving forward to regain and retain the clientele.

- New markets from the inbound arena to be identified in order to decrease dependability from the Russian federation which has been our largest contribution over the past few years. Contribution Russia & CIS markets through charter operators have seen a drastic drop however hotel managed to replace the business from these geo source by addition of new international OTAs.
- UK, Germany and rest of Europe have maintained and recorded an upward trend in comparison to the previous year however these markets are expected to register a drop in coming month due to BREXIT.
- Revival of domestic transient business by addition of new domestic OTAs and consolidators catering to traditional and new potential source markets has helped grow transient contribution in overall business. The same will be continued in future months.

- Transient segment performance will continue to be uplifted through marketing efforts by traditional methods and from Digital marketing innovations, this will help grow our capture ratio of respective ancillary departments such as F&B and Spa
- Weddings and MICE continue to build base occupancy with opportunity to achieve an optimum market mix of all segments with high yield.

#### **Tourism and Hotel Industry in Goa S&M**

Goa Tourism has decided to undertake massive promotion of Goa as a leading destination for Ornithologists and bird lovers from all over the world, given the fact, that the tiny State has an amazing bird diversity boasting of almost 423 bird species which are available in the State. This is expected to give a big boost for eco and hinterland tourism.

Goa Tourism has tied up with the Bird Society of Goa based in Panjim, which is an autonomous society to promote ornithological interest in the State. Avi-tourism is expected to attract high-end tourists and bird lovers from all over the world to its bird hotspots scattered across the State. Goa is also expected to be prominently featured as a Bird Watchers Paradise on the global map.

- Goa is now being positioned by the Government as a venue of High profile international conventions and summits such as Defexpo (March 2016) BRICS Summit (October 2016) respectively, it always been an international leisure/beach destination until now.
- **Awards and accolades –**
  - o Goa won the Asia Spa-India Reader's Choice Award in the category, My favourite SPA DESTINATION, India.
  - o Goa Tourism bags Best Destination for Fun and Relaxation at ITB Berlin 2016
  - o Goa gets top honours from Trip Advisor's Travellers Choice Awards (Destinations) - No. 3 in India and No. 20 in Asia
  - o Goa bags Best Value Destination (India) at Lonely Planet Magazine India Travel Awards 2016.
  - o Goa Tourism bags Most Innovative Product Award at the Travel and Tourism Fair (TTF) Hyderabad 2016
- GTDC re-launches helicopter joy rides

#### **Financial Performance with respect to operational performance – Blue Coast**

Park Hyatt Goa Resort and Spa is known for a luxury. Luxury hotel means escaping concrete jungles for the refined beach resort and landscaped gardens of the hotel property. The success of a Hotel depends on offering value for money to the guests, Food & Beverage, brand value, role of GM in fostering sustainability for a hotel. The coordination between revenue management and marketing team of the hotel is critical. The adoption of new age technologies in hotel operations is gaining importance day by day. The major source of revenue in hotel is no longer limited to rooms and restaurants. The emerging areas of huge revenue generations are from conferences, events and Wellness, which is equipped with Spa, swimming pool, and state of the art gymnasium. The concept of in-room dining is gaining





currency in today's hotel business. The expectation of the guests from in-room dining has also increased. The growth of budget properties is posing a major challenge to the luxury hotels

For the period under report the Company's total income for the year under report stood at Rs. 11605.18 Lacs (previous period Rs. 10765.43 Lacs). The Company has incurred a net loss (after tax) of Rs. 503.87 Lacs as against the net loss (after tax) of Rs. 1979.03 Lacs last year. For the period under report Park Hyatt Goa Resort & Spa achieved an average occupancy of 71.77% and its Rev PAR is 9.80% higher than previous year.

### **Segment Wise Performance**

The company is presently engaged in only one segment of business i.e. Hotel and owns Park Hyatt Goa Resort & Spa which is located in the State of Goa.

Park Hyatt Goa Resort and Spa is known as one of the India's finest luxury beach resort and spa providing a distinct product and personalized service in an environment truly committed to our guests.

### **Future Plans and Outlook**

The existing land parcel of 45 acres of the hotel land contains an Agriculture land / orchard land on which the Company has the potential to get the land converted and put to its commercial use such as development of high end residential villas or addition of the rooms / suites / banquet facilities to increase the existing hotel inventory

### **Internal Control Systems and their adequacy**

The Company believes that internal controls are essential ingredient towards achieving excellence in corporate governance. Accordingly, it has set adequate control systems in terms of financial reporting, efficiency of operations and compliance with various rules, regulations etc. Regular Audit is being carried out by the Internal Auditors as well as Statutory Auditors, reports whereof are regularly presented before the Audit Committee of the Board which reviews the adequacy of the internal control system on regular basis and monitors on continuous basis the implementations of the Internal Audit recommendations.

### **Development in Human Resources**

Your Company lays great emphasis on the importance of human resources and recognizes the fact that no organization can grow without a committed team of employees at all level. The company continues to focus on its endeavour to be a preferred employer in Goa and aims to retain and recruit quality professional and provide them with a high performance environment. The number of people employed on full time basis by the Company as on 31st March 2016 stood at 580, including outsourced employees.

### **Cautionary Statement**

Certain statements made in the Management Discussions and Analysis Report is based on the prediction and expectations of the Management and may be 'forward looking statements' within the meaning of applicable securities laws and regulations. The views and futuristic statements contained in this report are the perception of management

and subject to certain risks and uncertainty that could cause actual results to differ materially from those reflected in such statements. The Company undertakes no obligations to publicly update or revise any of these futuristic statements, whether as a result of new information, future events, or otherwise.

**KEY ECONOMIC ASSUMPTIONS - Finance**

- The INR exchange rate to the USD will be at INR 69.30 / USD
- Labour situation and Industrial relations reforms will continue to evolve.
- Minimum wages have increased in 2016 and expected further increase in October 2016
- GDP growth is expected to remain as 2016–7.4%, 2017–7.3%, 2018–7.3% (Source : Economic Intelligence Unit)
- Inflation is likely to be 2016–5.1%, 2017–5.4%, 2018–5% (Source : Economic Intelligence Unit)



## ANNEXURE - H

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

#### A. CONSERVATION OF ENERGY

##### (a) Energy Conservation measures taken

##### (1) The Company during last year

has undertaken a major project of replacement of Chilled Water, Hotel Water and Potable cold water pipe lines from plant room to individual residential courts, the header line has been completed for the North Zone of the property, pipe installation with Polybutylene pipes imported from Holland i.e. Thermaflex, also installation of pipes in 1st, 2nd and 5th residential courts is completed. This will also result in reducing leakage losses as well as dirt / rust entering the HVAC systems clogging of guest room FCU, resulting into an effective air conditioning now in the hotel. Due to the result of the above revamping presently the operating cost has come to Utility expenses.

##### (b) Additional investment and proposals, if any, being implemented for reduction of Energy consumption

1. 30 Lakhs for repair of existing lamps with highly energy efficient LED lights for the hotel entrance.
2. Revamping of 59 Rooms of third Court in progress, besides completing water balancing in the entire resort resulted in higher energy efficiency.

##### c. Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on production of services

Work is in progress and impact will be measured upon completion of revamping work.

##### d. Total energy consumption and energy consumption per unit of production as per Form A of the Annexure.

#### B TECHNOLOGY ABSORPTION

##### (a) Efforts made in technology, Research and Development (R&D)

##### 1. Specific areas in which R&D is carried out by the Company

- (1) Safety standards were inspected by an independent agency viz Tui & Argent U.K. recommendations thereof have been completed
- (2) Thermography survey carried out as predictive maintenance for electrical installation and necessary corrective measures undertaken
- (3) ISO 22000:2005 Audit has been carried out for Preparation & services of Food & Beverages (F&B)

##### 2. Benefit derived as a result of the above R&D

Reduction in an unplanned shut downs, increase in MTBF (Mean time between failures) & reduction in MTTR (Mean Time to Repair)

##### 3. Future Plan of Action

- 1) Replacement of chilled water, Hot Water and Potable cold water pipe lines in 4th Court of the Hotel is to commence soon.
- 2) Construction of a New Equalization tank for STP is under progress
- 3) Enhancing main entrance area external lighting by energy efficient LED
- 4) Installation of solar powered LED lighting system around south perimeter wall of the property
- 5) Sensor taps for public area wash rooms

4. Expenditure on R & D	2015-16	(Rs. / Lacs) 2014-15
a) Capital	–	–
b) Recurring	–	–
c) <b>Total</b>	–	–
d) Total R & D expenditure as a percentage of total turnover is nil (previous year nil).		

**Technology Absorption, Adaptation and Innovation: Nil**

C. Foreign Exchange Earnings and Outgo	(Rs. in Lacs)	
f. Activities relating to export; initiative taken to increase exports; development of new export markets; and export plans: The Company is into Hotel Business. The Company did not carry on any export and related activities during the financial year 2013-14.		
g. Total Foreign Exchange used and earned.		(Rs. / Lacs)
	<b>2015-16</b>	<b>2014-15</b>
i. Foreign Exchange Earnings	<b>4538.04</b>	3099.00
<b>Total</b>	<b>4538.04</b>	<b>3099.00</b>
ii. Foreign Exchange Outgo		
Capital Goods	40.05	129.85
Other matters	1685.53	1019.49
<b>Total</b>	<b>1725.58</b>	<b>1149.34</b>



# FORM A

## Form for Disclosure of Particulars with respect to Conservation of Energy

### A. ELECTRICITY AND FUEL CONSUMPTION :

	Current Year 2015-16	Previous Year 2014-15
<b>1. Electricity</b>		
(a) Purchased		
Unit in Lacs (kWh)	74.64	73.78
Total Amount (Rs. in Lacs)	381.37	335.51
Rate/Unit (Rs.)	5.11	4.55
(b) Own generation		
(i) Through diesel generator		
Unit in Lacs (kWh)	6.17	1.76
Units per Ltr. Of diesel oil	3.38	3.00
Cost/unit (Rs.)	14.30	20.44
(ii) Through steam turbine/generator		
Coal (specify quality and where used) - NA		
<b>2. Diesel oil</b>		
Quantity (K. Ltrs.)	524.13	589.60
	(including boilers)	
Total amount (Rs. in Lacs)	303.08	361.48
Average rate (Rs. per Ltr)	57.82	61.31

### B. Consumption per unit of production:

	Standards (If any)	Previous year	Current year
Electricity	(KWH)	N.A.	N.A.
Furnace oil	(Ltr/Kg)	N.A.	N.A.
Coal		N.A.	N.A.
Others		N.A.	N.A.



## Corporate Governance Report

In terms of Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31st March, 2016 is presented below:

### 1. COMPANY PHILOSOPHY ON CODE OF GOVERNANCE

The Report containing the details of Corporate Governance Systems and Processes at Blue Coast Hotels Limited Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from culture and mindset of the organization. The focus of the Company is on expanding its business while upholding the values of transparency, integrity and accountability. Your company is committed to best Corporate Governance practices and providing all the necessary information and disclosures to various stakeholders of the Company.

### 2. BOARD DIVERSITY

The Company is managed and controlled by a professional Board comprising a blend of Executive and Non-Executive Professional Directors. As on 31st March 2016, the Board of Directors consisted of Seven Directors, including Chairman and Managing Director, a non Executive Director, a woman Director and 4 Independent Directors - more than the requirements of the Companies Act, 2013 and SEBI Listing Regulations. The Board periodically evaluates the need for change in its composition and size..

The Board meets at least four times in a year and more often if Company needs merit additional oversight and guidance. During the financial year 2015-16, the time gap between any two Board Meetings did not exceed one hundred and twenty days. The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All statutory and other matters of significance including information as mentioned in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are tabled before the Board to enable it to discharge its responsibility of strategic supervision of the Company.

**a) Composition and category of Directors (e.g. Promoter, Executive, Non-Executive, Independent Non-Executive, Nominee Director - institution represented and whether as lender or as equity investor):**

As at 31st March, 2016, the composition of the Board of Directors of the Company was as follows:

Name of Director		Category
Mr. Sushil Suri (DIN: 00012028)	Promoters	Chairman and Managing Director
Mr. Kushal Suri (DIN: 02450138)		Non-Executive Director
Ms. Seema Joshi* (DIN: 06946689)	Non Promoters	Independent Director
Mr. Ashok Kini (DIN: 00584044)		Independent Director
Mr. Praveen Kumar Dutt (DIN: 06712574)		Independent Director
Dr. Vijay Mohan Kaul (DIN: 00472888)		Independent Director
Mr. Madan Gopal Khanna** (DIN: 00330460)		Independent Director

\* Ms. Seema Joshi was appointed as Independent Director on 05.08.2016

\*\* Mr. Madan Gopal Khanna was appointed as Independent Director on 29.02.2016


**b) Attendance of each Director at the Meetings of the Board of Directors and the last Annual General Meeting:**

Sr. No.	Name of the Director	Attendance in Board Meetings Held on				
		30 May 15	20 Aug. 15	06 Nov. 15	12 Feb. 16	30 Sep. 15 AGM
1.	Mr. Sushil Suri	✓	✓	✓	✓	✓
2.	Mr. Kushal Suri	✓	✓	✓	✓	✗
3.	Mrs. Seema Joshi	✓	✓	✓	✓	✗
4.	Mr. Ashok Kini	✓	✓	✗	✗	✓
5.	Mr. Praveen Kumar Dutt	✗	✓	✓	✓	✓
6.	Dr. Vijay Mohan Kaul	✓	✓	✗	✓	✗
7.	Mr. Madan Gopal Khanna*	✗	✗	✗	✗	✗

\* Mr. Madan Gopal Khanna was appointed on 29th February, 2016 by resolution passed by circulation.

**c) Number of Committees in which a Directors is a Member or Chairperson :**

Sr. No.	Name of the Director	Directorships in Other Board of Directors*	Memberships of Committees of Other Boards**	Chairmanships of Committees of Other Boards**
1.	Mr. Sushil Suri	2	0	2
2.	Mr. Kushal Suri	1	0	0
3.	Mrs. Seema Joshi	1	2	1
4.	Mr. Ashok Kini	1	2	0
5.	Mr. Praveen Kumar Dutt	1	2	1
6.	Dr. Vijay Mohan Kaul	1	2	0
7.	Mr. Madan Gopal Khanna	1	0	0

\*Directorships are reported for listed companies only including Blue Coast Hotels Ltd.

\*\*Committee Memberships/ Chairmanships are reported for listed and unlisted public companies put together including Blue Coast Hotels Limited. Committee Memberships include Chairmanship, if any including Blue Coast Hotels Limited. Committees considered for the purpose are those prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders' Relationship Committee.

**d) Number of Meetings of the Board of Directors held and dates on which held:**

During the financial year 2015-16, 4(Four) Board Meetings were held. The dates on which these Meetings were held are given in the Table provided in pt. no. (b) here in above.

**e) Disclosure of relationships between Directors inter-se:**

No Director is related to any other Director on the Board, except Mr. Sushil Suri and Mr. Kushal Suri though both are not relative as per the Companies Act, 2013.

**f) Number of shares and convertible instruments held by Non-Executive Directors:**

None of the Non-Executive Directors on the board holds any share in the Company as on 31.03.2016, except Ms. Seema Joshi, who holds 700 Equity Shares of Rs. 10/- each and Mr. Kushal Suri, who holds 20,200 Equity Shares of Rs. 10/- each in the Company.

**g) Web link where details of familiarization programmes imparted to Independent Directors is disclosed:**

The details regarding Independent Directors' Familiarisation Programmes are given under the 'Codes & Policies' in the 'Corporate Governance' section under the "investors" widow on the website of the Company and can be accessed at <http://www.bluecoast.in/#!corporategovernance/c11ar>.

**SUBSIDIARY COMPANIES**

Blue Coast Hotels Limited has one material non-listed Indian subsidiary named as Silver Resort Hotels India Pvt. Ltd. There were no material transactions with related parties during the financial year in conflict with the interest of the company. Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the Financial Statements.

**SEPARATE MEETING OF THE INDEPENDENT DIRECTORS**

During the financial year, a separate Meeting of the Independent Directors of the Company, was held on Friday, 12th February, 2016, at the Corporate Office of the Company at 415-417, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi – 110 001, whereat the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

- a) Review of performance of Non-Independent Directors and the Board as a whole
- b) Review of performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors
- c) Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIDEO CONFERENCING**

The Companies act, 2013 read with the relevant rule made thereunder, now facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Director except in respect of such Meetings/items which are not permitted to be transacted through video conferencing.

**ETHICS/GOVERNANCE POLICIES**

At Blue Coast Hotels Limited, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct for Board.
- Code of Conduct for Prohibition of Insider Trading
- Vigil Mechanism and Whistle Blower Policy
- Risk Management Policy



- Policy on Board Diversity
- Board Evaluation Policy
- Remuneration Policy for Directors, Key Managerial Personnel's & Senior Employees.
- Policy for determining Material Subsidiaries
- Policy on Related Party Transaction.
- Archival Policy

### COMMITTEES OF THE BOARD

The Board of Directors has constituted the following Committees of Directors with adequate delegation of powers to discharge the Company's requisite business:

- Audit Committee.
- Nomination and Remuneration Committee
- Stakeholder Relationship (Shareholders' /Investors' Grievance) Committee
- Corporate Social Responsibility Committee.

The minutes of the meetings of all such committees are placed before the Board for discussion/noting.

Detail of the composition, number of meetings held during the year, attendance of members and scope of the committees are as below:

### 3. AUDIT COMMITTEE

#### a) Brief description of terms of reference:

The terms of reference of the Audit Committee are as per the governing provisions of the Companies Act, 2013 (section 177) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II).

The Role of the Audit Committee includes the following:

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - matters required to be included in the director's responsibility statement to be Included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit Findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;

- v. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter;
- vii. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- viii. approval or any subsequent modification of transactions of the listed entity with related parties;
- ix. scrutiny of inter-corporate loans and investments;
- x. valuation of undertakings or assets of the listed entity, wherever it is necessary;
- xi. evaluation of internal financial controls and risk management systems;
- xii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. discussion with internal auditors of any significant findings and follow up there on;
- xv. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. to review the functioning of the whistle blower mechanism;
- xix. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx. considering such other matters, the Board may specify;
- xxi. Reviewing other areas that may be brought under the purview of role of Audit Committee as specified in SEBI Regulations and the Companies Act, as and when amended.

**b) Composition, Name of Members and Chairperson**

The Audit Committee comprises 4 (Four) Non-Executive- Independent Directors as its members. All members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Internal Auditors of the Company attend the Meetings of the Audit Committee on invitation of the Chairman of the Committee. The Composition of Audit Committee as on 31st March, 2016, is given below:





Name of Members	Category	Designation
Mr. Praveen Kumar Dutt	Non-Executive Independent	Chairman
Mr. Ashok Kini	Non-Executive Independent	Member
Dr. Vijay Mohan Kaul	Non-Executive Independent	Member
Ms. Seema Joshi	Non-Executive	Member

**c) Meetings and attendance during the year:**

Sr. No.	Name of the Director	Attendance in Audit committee Meetings held on			
		30 May 15	20 Aug. 15	06 Nov. 15	12 Feb. 16
1.	Mr. Praveen Kumar Dutt	✗	✓	✓	✓
2.	Mr. Ashok Kini	✓	✓	✗	✗
3.	Dr. Vijay Mohan Kaul	✓	✓	✗	✓
4.	Ms. Seema Joshi	✓	✓	✓	✓

**4. NOMINATION AND REMUNERATION COMMITTEE**

**a) Brief description of terms of reference:**

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Wholtime Directors as well as the nomination and appointment of Directors of the Company.

The terms of reference of the Nomination and Remuneration Committee are as per the

Governing provisions of the Companies Act, 2013 (section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II).

**b) Composition, Name of Members and Chairperson**

The Nomination and Remuneration Committee comprises 3 (Three) Non-Executive-Independent Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Nomination and Remuneration Committee. The Composition of Nomination and Remuneration Committee as on 31st March, 2016, is given below:

Name of Members	Category	Designation
Mr. Ashok Kini	Non-Executive Independent	Chairman
Mr. Praveen Kumar Dutt	Non-Executive Independent	Member
Dr. Vijay Mohan Kaul	Non-Executive Independent	Member

**c) Meetings and attendance during the year:**

Sr. No.	Name of the Director	Attendance in Nomination and Remuneration Committee Meeting held on 30 May 15
1.	Mr. Ashok Kini	✓
2.	Mr. Praveen Kumar Dutt	✗
3.	Dr. Vijay Mohan Kaul	✓

**d) Performance evaluation criteria for Independent Directors:**

The performance evaluation for the financial year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board. The evaluation of all directors (including Independent Directors) was done by the entire Board of Directors (excluding the Director being evaluated).

**5. REMUNERATION OF DIRECTORS**

**a) All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:**

There is no pecuniary relationship vis-a -vis the Non -Executive Director. Also, the Non-Executive Independent Directors are paid Sitting Fees only.

**b) Criteria of making payments to Non-Executive Directors:**

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company [www.bluecoast.in](http://www.bluecoast.in) in the 'Policies' section in 'Corporate Governance'.

**c) Disclosures with respect to Remuneration:**

i) Details of remuneration / sitting fees paid to Directors during the financial year 2015-16 is given below:

Name of Directors	Basic	Perquisites	Commission (for the year 2013-14)	Contribution to PF	Sitting Fee	Total
Mr. SushilSuri	–	–	–	–	–	–
Dr. V M Kaul	–	–	–	–	45,000/-	45,000/-
Mr. Praveen Kumar Dutt	–	–	–	–	35,000/-	35,000/-
Mr. Kushal Suri	–	–	–	–	Nil	Nil
Mrs. Seema Joshi	–	–	–	–	45,000/-	45,000/-
Mr. Ashok Kini	–	–	–	–	30,000/-	30,000/-
Mr. Madan Gopal Khanna*	–	–	–	–	Nil	Nil
<b>TOTAL</b>	–	–	–	–	<b>1,55,000/-</b>	<b>1,55,000/-</b>

\* Mr. Madan Gopal Khanna was appointed as Director on 29.02.2016

The Company has not issued any stock option to its directors/employees.

**ii. Service contracts, notice period, severance fees:**

The appointment of the Executive Directors is governed by Resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director.

**6. STAKEHOLDERS RELATIONSHIP / GRIEVANCE REDRESSAL COMMITTEE**

The terms of reference and the ambit of powers of Stakeholders Relationship / Grievance Redressal Committee are as per the governing provisions of the Companies Act, 2013 (section 178) and the SEBI (Listing Obligations



and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The status of member correspondences, queries, grievances etc. are endeavored to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders Relationship/ Grievance Redressal Committee which meets at quarterly intervals.

**a) Name of Non-Executive Director heading the Committee:**

Ms. Seema Joshi, Non-Executive Non-Independent Director was appointed as the Chairman of the Stakeholders Relationship / Grievance Redressal Committee.

The Stakeholders Relationship / Grievance Redressal Committee comprises 4 (Four) members, all are Non-Executive Independent Director. The Company Secretary of the Company acts as Secretary to the Stakeholders Relationship / Grievance Redressal Committee. The Composition of Stakeholders Relationship/ Grievance Redressal Committee as on 31st March, 2016, is given below :

Name of Members	Category	Designation
Ms. Seema Joshi	Non-Executive Independent	Chairman
Mr. Praveen Kumar Dutt	Non-Executive Independent	Member
Mr. Vijay Mohan Kaul	Non-Executive Independent	Member
Mr. Ashok Kini	Non-Executive Non-Independent	Member

**b) Name and designation of Compliance Officer:**

Mr. Shivam Kumar, Company Secretary is the Compliance Officer of the Company.

**c) Number of shareholders' complaints received so far:**

The number of shareholder grievances received and resolved during financial year 2015-16 is given below:

Nature of Grievance	Received	Resolved	Max. period of Reply ( in day)
Annual Report	2	2	3
Non-receipt of dividend for the F.Y.2014-15	2	2	3

**d) Number not solved to the satisfaction of shareholders:**

None. All complaints were resolved to the satisfaction of shareholders.

**e) Number of pending complaints:**

As at 31st March, 2016, no complaint was pending unresolved.

**f) Meetings and attendance during the year:**

Sr. No.	Name of the Director	Attendance in Stakeholders Relationship Committee Meeting held on 30 May 15
1.	Mrs. Seema Joshi	✓
2.	Mr. Praveen Kumar Dutt	✗
3.	Dr. Vijay Mohan Kaul	✓
4.	Mr. Ashok Kini	✓

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was formed pursuant to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act.

The Corporate Social Responsibility Committee comprises 3 (Three) members of which 2 (Two) are Non-Executive and Independent, the Chairman being Non-Executive Director. The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility Committee. Pursuant to your Company declaring Net Profit in Financial Year 2015-2016, the Board of Directors constituted the Corporate Social Responsibility Committee at their meeting held on 05 August, 2016. The Composition of Corporate Social Responsibility Committee as on date of the report, is given below:

Name of Members	Category	Designation
Mr. Sushil Suri	Executive	Chairman
Mrs. Seema Joshi	Non-Executive Independent	Member
Mr. Madan Gopal Khanna	Non-Executive Independent	Member

## 7. GENERAL BODY MEETINGS

### a) Location and time, where last three Annual General Meetings held:

Financial Year	AGM	Date	Time	Venue
2014-15	22 <sup>nd</sup>	30 <sup>th</sup> September 2015	11.00 A.M.	263C, Arossim, Cansaulim, Goa -403712
2013-14	21 <sup>st</sup>	30 <sup>th</sup> September 2014	11.00 A.M.	263C, Arossim, Cansaulim, Goa -403712
2012-13	20 <sup>th</sup>	30 <sup>th</sup> September 2013	10.30 A.M.	263C, Arossim, Cansaulim, Goa -403712

### b) Special Resolutions passed in the previous three Annual General Meetings:

Details of Special Resolution passed at the Annual General Meeting held during the last three financial years:

Date of Annual General Meeting	No. of Special Resolution passed	Particulars
30 <sup>th</sup> September 2015	None	
30 <sup>th</sup> September 2014	4 (Four)	1. Appointment of Mr. P.L. Suri as Chairman & Managing Director.
		2. Approval of Related Party Contract.
		3. Approval of limits of Borrowings u/s 180(1) (c) of the Companies Act, 2013
		4. Approval of limits of Borrowings u/s 180(1) (a) of the Companies Act, 2013 in connection with the borrowings of the Company.
30 <sup>th</sup> September 2013		None



- c) **Special Resolution passed last year through postal ballot – details of voting pattern and the procedure thereof:**

None.

- d) **Whether any special resolution is proposed to be conducted through postal ballot and the procedure thereof:-**

None.

## 8. MEANS OF COMMUNICATION

- a) **Quarterly results:**

The Company publishes limited reviewed un-audited standalone financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results for the complete financial year.

- b) **Newspapers wherein results normally published:**

The quarterly/ half-yearly/ annual financial results are published in Finance Express in English Daily and Dainik Herald, Daily editions, Goa.

- c) **Website, where displayed:**

The financial results and the official news releases are also placed on the Company's website <http://www.bluecoast.in/> in the 'Investors' section.

- d) **Official news releases:**

The Company regularly publishes an information update on its financial results and also displays official news releases in the 'Investors' section under relevant sections.

## 9. GENERAL SHAREHOLDER INFORMATION

- a) **Annual General Meeting - date, time and venue:**  
**Annual General Meeting (in the Financial Year 2016-17)**

Day : Thursday

Date : 29th September, 2016

Time : 11:00 a.m.

Venue : 263 C, Arossim, Cansaulim, Goa-403712 (India)

- c) **Financial Year:**

The Financial Year of the Company starts from 1st April of a year and ends on 31st March of the following year.

- d) **Dividend Payment Date:**

In view of inadequate profits made by the Company during the year, your Board of Directors did not recommend any dividend.

**d) Name and address of each Stock Exchange(s) at which the Company securities are listed and a confirmation about payment of annual listing fee to each of such Stock Exchange(s):**

The equity shares of the Company are listed at:

- The National Stock Exchange of India Limited (NSE), Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051.
- BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

The listing fees for the financial year 2016-17 have been paid by the Company within the stipulated time.

**e) Stock code :**

NSE	BSE	ISIN
BLUECOAST	531495	INE472B01011

**f) Market price data - high, low during each month in last financial year:**

Monthly high & low prices and volumes of the equity shares of the Company at the National Stock Exchange of India Limited (Nifty) and BSE Limited (Sensex) during financial year 2015-16 are as under:

BSE				NSE		
Month	High	Low	Shares Traded	High	Low	Shares Traded
Apr-15	108.40	77.55	747	96.00	95.00	319
May-15	129.20	113.50	326	91.20	86.65	10
Jun-15	127.50	121.50	606	85.00	82.35	2
Jul-15	121.20	121.20	1	NT	NT	NT
Aug-15	115.20	104.90	13	NT	NT	NT
Sep-15	100.00	68.50	1,012	NT	NT	NT
Oct-15	71.90	71.90	1	89.00	80.40	238
Nov-15	75.45	71.70	285	84.40	84.40	2
Dec-15	70.00	64.75	608	NT	NT	NT
Jan-16	67.95	62.05	561	NT	NT	NT
Feb-16	58.95	56.05	33	84.40	84.40	15
Mar-16	63.90	58.00	1,150	88.60	84.25	51

(Source: NSE & BSE Website)

(NT: Not Traded)

Note: High and low are in rupees per traded share.





**g) Performance in comparison to broad-based indices such as BSE (Sensex), NSE (Nifty):**

Month (S) (As on end of last month)	SHARE PRICES COMPARISON			
	BSE	BSE (Sensex)	NSE	NSE (Nifty)
Apr-15	108.40	27,011.31	96.00	8181.50
May-15	129.20	27,828.44	86.65	8433.65
Jun-15	127.50	27,780.83	85.00	8368.50
Jul-15	121.20	28,114.56	NT	8532.85
Aug-15	104.90	26,283.09	NT	7971.30
Sep-15	68.50	26,154.83	NT	7948.90
Oct-15	71.90	26,656.83	80.40	8065.80
Nov-15	71.70	26,145.67	84.40	7935.25
Dec-15	64.75	26,117.54	NT	7946.35
Jan-16	62.05	24,870.69	NT	7563.55
Feb-16	56.05	23,002.00	84.40	6987.05
Mar-16	63.90	25,341.86	84.25	7738.40

**h) In case the securities are suspended from trading, the Directors Report shall explain the reason thereof:**  
Not applicable.

**i) Registrar to an Issue and Share Transfer Agents:**

**RCMC Share Registry Pvt. Ltd.**

B - 25/1, 1st Floor,  
Okhla Industrial Area, Phase-II

New Delhi-110 020

Tel. : 011 - 26387320-21-23 Fax: 011 - 26387322

Email: investor.services@rcmcdelhi.com

Website: <http://www.rcmcdelhi.com>

**j) Share Transfer System:**

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form.

In case of shares held in physical form, the transferred share certificates duly endorsed are despatched within 15 days from the date of receipt of documents, provided documents are valid and complete in all respects. In compliance of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by him/her.

In case of request for dematerialization of shares, confirmation of dematerialization is sent to the respective depository i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL), expeditiously

**k) Distribution of Shareholding as on 31st March, 2016:**

Number of Shares held	Shareholders		Shares	
	Number	% of Total	Number	% of Total
Up to 500	896	87.41	80031	0.63
501-1,000	32	3.12	23904	0.19
1,001-2,000	23	2.24	33404	0.26
2,001-3,000	28	2.73	69544	0.55
3,001-4,000	3	0.29	10326	0.08
4,001-5,000	4	0.39	19116	0.15
5,001-10,000	2	0.20	13076	0.10
10,001 and above	37	3.61	12499056	98.04
<b>Total</b>	<b>1025</b>	<b>100.00</b>	<b>12748457</b>	<b>100.00</b>

**Ownership Pattern as on 31st March, 2016**

	No. of Folio's	% to total Folios	No. of Shares held	% to total Shares
<b>PROMOTERS</b>				
Indian	13	1.28	10,05,041	7.88
Bodies Corporate	12	1.18	68,21,454	53.51
<b>TOTAL (A)</b>	<b>25</b>	<b>2.46</b>	<b>78,26,495</b>	<b>61.39</b>
<b>PUBLIC</b>				
Foreign Company	2	0.19	23,12,162	18.14
Bodies Corporate	47	4.58	23,52,501	18.45
Clearing Members	2	0.19	684	0.01
NRI's	7	0.68	6703	0.05
Trust	1	0.10	10	0.00
Individual	941	91.80	2,49,902	1.96
<b>TOTAL (B)</b>	<b>1,000</b>	<b>97.54</b>	<b>49,21,962</b>	<b>38.61</b>
<b>TOTAL {(A) + (B)} = (C)</b>	<b>1,025</b>	<b>100</b>	<b>1,27,48,457</b>	<b>100.00</b>

**l) Dematerialization of shares and liquidity:**

The detail of shares dematerialized and those held in physical form, as on 31 March 2016.

Particulars of Shares	Shares	
	Number	% of Total
<b>Dematerialized Form</b>		
National Securities Depository Ltd. (NSDL)	12652497	99.25
Central Depository Services (India) Ltd. (CDSL)	15897	0.12
<b>Physical Form</b>	80063	0.63
<b>Total</b>	<b>12748457</b>	<b>100.00</b>

**m) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity:**

There are no GDRs/ADRs/Warrants outstanding as on 31st March, 2016.

**n) Commodity price risk or foreign exchange risk and hedging activities:**

Not Applicable

**o) Property locations:**

**Hotel Park Hyatt Goa, Resort & SPA**

263C, Arossim Beach, Cansaulim, Goa – 403712 INDIA

**p) Address for Correspondence with the Company:**

The Company Secretary

**Blue Coast Hotels Limited**

(Secretarial Department)

415-417, Antriksh Bhawan,

22 KG Marg, Delhi 110001

Telephone: +91 11 23358774 – 775

Fax: +91 11 23358776

**Address for Correspondence with the Registrar and Transfer Agents**

**RCMC Share Registry Pvt. Ltd.**

B - 25/1, 1st Floor,

Okhla Industrial Area, Phase-II

New Delhi-110 020

Tel. : 011 - 26387320-21-23 Fax: 011 - 26387322

Email: investor.services@rcmcdelhi.com

Website: http: www.rcmcdelhi.com

**10. OTHER DISCLOSURES****a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company:**

For details on related party transactions in accordance with AS-18, kindly refer to Note No. 31 of Other Notes on Accounts of the Annual Report.

- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:**

The Company has not been penalized, nor have the Stock Exchanges, SEBI or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets.

- c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee:**

The Company has adopted a Whistle Blower Policy which means alert/ vigilant empowering any person associated with the organization to file a grievance if he/ she notices any irregularity.

No person has been denied access to the Audit Committee for any grievance.

- d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- e) Web link where policy for determining 'material' subsidiaries is disclosed:**

The policy for determining 'material' subsidiaries is available on the website of the Company under 'Policies' in the 'Corporate Governance' section and can be accessed at <http://www.bluecoast.in/#!corporategovernance/c11ar>

- f) Web link where policy on dealing with related party transactions is disclosed:**

The policy for determining 'material' subsidiaries is available on the website of the Company under 'Policies' in the 'Corporate Governance' section and can be accessed at <http://www.bluecoast.in/#!corporategovernance/c11ar>

- g) Disclosure of commodity price risks and commodity hedging activities:**

Not Applicable

**11. DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED.**

- a) The Board:**

As the Chairman of the Company is an Executive Chairman, hence the provision on entitlement of chairperson's office at the expense of the Company in case of a non-executive chairperson is not applicable.

- b) Shareholder Rights:**

Quarterly financial statements are published in leading newspapers and uploaded on Company's website [www.bluecoast.in](http://www.bluecoast.in).

- c) Modified opinion(s) in audit report:**

The Auditors have raised no qualification on the financial statements.

- d) Reporting of Internal Auditor:**

The Company has appointed M/s. KSMN & Company, Chartered Accountant as the Internal Auditors for



conducting the internal audit, representatives whereof report to Board of Directors of the Company and has direct access to the Audit Committee.

**12. DISCLOSURE OF COMPLIANCE OF REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUBREGULATION (2) OF REGULATION 46**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**13. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:**

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

**14. DECLARATION SIGNED BY THE CHIEF EXECUTIVE OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT.**

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. BCHL' Code of Ethics is intended to provide guidance and help in recognizing and dealing with ethical issues, mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability.

The Board has adopted a Code of Ethics for Directors, Senior Management and other Employees of the Company.

The Code is available on the website of the Company under 'Policies' in the 'Corporate Governance' section and can be accessed at <http://www.bluecoast.in/#!/corporategovernance/c11ar>.

A declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with Corporate Governance Report.

**15. CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING**

The Company has formulated and implemented a Code of Conduct for the Prevention of Insider Trading, in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct for Prevention of Insider Trading, inter alia, prohibits purchase/sale of Company's shares by employees, while in possession of Company's unpublished and price-sensitive information. The necessary procedures have been laid down for the Directors, designated employees, promoters, connected persons and people deemed to be connected for trading in the Company's securities.

The said Code of Conduct is available on the Company's website.

**16. CEO/CFO Certification**

As required under Regulations 17(8) and 33(2)(a) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, certificates are duly signed by Mr. Sushil Suri, CMD and Mr. Dilip Bhagtani, CFO.

**17. COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:**

The Certificate from the Statutory Auditors of the Company regarding compliance of conditions of corporate governance is annexed with Corporate Governance Report.

For Blue Coast Hotels Limited

Place : New Delhi  
Date : 05.08.2016

**SUSHIL SURI**  
(Chairman & Managing Director)

**Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

All Board Members and Senior Management Personnel have affirmed compliance with the code of ethics for the financial year ended 31st March, 2016

**For Blue Coast Hotels Limited**

Place : New Delhi  
Date : May 30, 2016

**SUSHIL SURI**  
(Chairman & Managing Director)





### **CEO/CFO CERTIFICATION**

We, Sushil Suri, Chairman & Managing Director and Dilip Bhagtani, Chief Financial Officer, of Blue Coast Hotels Limited, hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2016 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Blue Coast Hotels Limited**

Sd/-

**SUSHIL SURI**

(Chairman & Managing Director)

Sd/-

**DILIP BHAGTANI**

(Chief Financial Officer)

Place: New Delhi  
Date: May 30, 2016

## AUDITORS' CERTIFICATE

To,

**The Shareholders / Members,**

**Blue Coast Hotels Limited**

We have examined the compliance of conditions of Corporate Governance by Blue Coast Hotels Limited ('the Company'), for the year ended on 31st March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the company with the stock exchanges for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015 ( 'Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above- mentioned Listing Agreement/ Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **M. Kamal Mahajan And Co.**  
Chartered Accountants

Firms' Registration Number 006855N  
Partner  
M.No.: 017418

Place : New Delhi  
Date : 05.08.2016



## **Independent Auditors' Report**

**To the Members of Blue Coast Hotels Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Blue Coast Hotels Limited** ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement(s).

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the standalone financial statements.

### **Emphasis Of Matter**

Without qualifying our opinion, we draw attention to the following notes on the financial statements:

- (i) Note no. 9(B) to the financial statements regarding the secured lender IFCI Limited had initiated the recovery proceedings and allegedly auctioned the hotel property under the provisions of the SARFAESI Act which was contested by the Company at Hon'ble High Court of Bombay. By the Judgement dated 23.3.2016, the Hon'ble Bombay High Court quashed and set aside the alleged auction sale of property and directed secured lender IFCI Limited to refund the sale consideration to auction purchaser ITC Limited. subsequently ITC Ltd & IFCI Ltd have approached the Hon'ble Supreme Court against the Bombay High Court judgement whereupon the grant of stay against the order was not accepted. however, it ordered that 'Status Quo' as on 22nd April, 2016 be maintained and further ordered that the amounts paid by ITC Limited in the auction purchase shall remain with the IFCI Ltd until further orders. The Hotel property continues to be operated under the brand "Park Hyatt Goa Resort & Spa" maintained under management agreement with Hyatt International.
- (ii) Note no. 23(b) to the financial statements regarding no provision for interest or any other charges has been made during the year on debentures pending litigation and recovery proceedings. Further, Interest is provided at simple contracted rate of interest on term loan from financial institution in view of the initiation of recovery proceeding and pending litigation, subject to order of the court.
- (iii) The appropriateness of assumption of going concern is dependent upon realization of the various initiatives undertaken by the company, outcome of court cases and / or the company's ability to raise requisite finance / generate cash flows in future to meet its obligations including financial support to its subsidiary companies.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2. As required by Section 143(3) of the Act, we report that :
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;



- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) the Company has disclosed the impact of pending litigation on its financial positions in its financial statements- Refer Note no. 18 to the financial statements;
  - (ii) the company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) no amount was required to be transferred to the Investor Education and protection fund by the company.

For **M Kamal Mahajan And Co.**  
Chartered Accountants  
Firm's Regn. No. 006855N

**M. Kamal Mahajan**  
(Partner)  
Membership number 017418

Place : New Delhi  
Date : May, 30 2016

## Annexure A to the Independent Auditors' Report Blue Coast Hotels Limited

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details & situation of fixed assets.
  - (b) As explained to us, most of the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the company.
- (ii) As explained to us, the inventory has been physically verified at reasonable intervals by the Management & no material discrepancies were noticed by the management.
- (iii) (a) According to the information and explanations furnished to us, the company has granted 0.75 lac unsecured fresh loan to its two wholly owned subsidiary companies covered in the register maintained under Section 189 of the Companies Act, 2013 during the year. Also old interest free loan unsecured loan to two wholly owned subsidiary companies amounting to Rs. 463.97 lacs are outstanding as on 31.03.2016.
  - (b) According to the information & explanation given to us there is no stipulated schedule of repayment of principal, so we are unable to comment on the regularity of repayment of principal.
  - (c) According to the information & explanation given to us the whole amount of Rs. 464.72 lacs is overdue for more than 90 days, and there is no reasonable steps taken by the company for recovery of principal.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, with respect to the loans, guarantees, security and investment during the year. However the company has already given a guarantee of Rs. 6500. lacs to bank/ Financial institutions for loan taken by associate company setting up a five star hotel project at Chandigarh. Refer note no. 18(i) to the financial Institutions.
- (v) The company has not accepted any deposit from the public within the meaning of section 73,74,75,76 of the Companies Act, 2013 and the rules framed there under to the extent notified during the year.
- (vi) According to the information & explanation given to us the Central Government has not prescribed the maintenance of cost records for the company under section 148(1) of the Companies Act, 2013.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the amount deducted /accrued in the books of accounts in respect of undisputed statutory dues including , duty of custom, duty of excise if any, cess, Employees' Provident Fund, Employees' State Insurance, luxury tax, VAT& WCT have generally been regularly deposited with the appropriate authorities, **however undisputed statutory dues including income tax (TDS) have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious.**

**According to the information and explanations given to us, the below mentioned undisputed amount in respect of Income Tax (TDS), were in arrears as on 31st March 2016 for a period of more than six months from the date they became payable:**




**Statement of Arrears of Statutory Dues Outstanding for more than Six months**

Name of the Statute	Nature of the Dues	Amount (Rs)	Period to which amount relates	Due Date	Date of payment
Income Tax Act-1961	Income tax (TDS)	4,64,202	FY 2015-16	FY 2015-16	Not paid
Income Tax Act-1961	Income tax (TDS)	60,317	FY 2014-15	FY 2014-15	Not paid

(b) According to the information and explanations given to us, there is no amount due in respect of Income-tax, Sales-tax, VAT, Employee's State Insurance, Provident Fund, Duty of Excise, Customs duty, cess & Service Tax outstanding as at 31st March, 2016 due to any dispute.

(viii) Based on our audit procedures and according to the information and explanation given to us by the management, **the company has defaulted in repayment of dues to the Financial institution and debenture holders as under:**

S.No.	Name	Nature of dues	Principal Amount (Rs. in lacs)	Period of default
1	IFCI Ltd.	Term Loan	11,368.91	Up to 4years
2	IFCI Ltd.	Interest on Term Loan	1,967.85	Up to 2 years
3	PACL Ltd.	Debentures principal amount	10,000.00	Up to 3 years
4	PACL Ltd.	Debentures interest	5737.13	Up to 5 years
5	PACL Ltd.	Debentures redemption premium	2,800.00	Up to 3 years

(ix) According to the information and explanations given to us and based on our examination of the records of the company, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the company.

(x) According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our verification of books of accounts of the company, the company has not paid/provided any amount of Managerial remuneration during the year. Accordingly, paragraph 3(xi) of the order is not applicable.

(xii) In our opinion and according to information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 & 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully paid convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non- cash transaction with directors or person connected with them.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **M Kamal Mahajan And Co.**  
Chartered Accountants  
Firm's Regn. No. 006855N

**M. Kamal Mahajan**  
(Partner)  
Membership number 017418

Place : New Delhi  
Date : May 30, 2016

## **Annexure - B to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Blue Coast Hotel Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial



controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M Kamal Mahajan And Co.**  
Chartered Accountants  
Firm's Regn. No. 006855N

**M. Kamal Mahajan**  
(Partner)  
Membership number 017418

Place : New Delhi  
Date : May 30, 2016

## Balance Sheet

As at 31st March, 2016

(Rs. in Lacs)

	Notes	As at 31.03.2016	As at 31.03.2015
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
Share capital	2	5,424.85	5,424.85
Reserves and Surplus	3	5,838.98	5,396.28
		<u>11,263.83</u>	<u>10,821.13</u>
<b>2. NON - CURRENT LIABILITIES</b>			
Long-term borrowings	4	2.32	4.65
Long term liabilities	5	98.64	98.64
Long-term provisions	6	148.58	164.43
		<u>249.54</u>	<u>267.72</u>
<b>3. CURRENT LIABILITIES</b>			
Trade payables :	7		
Total outstanding dues of micro enterprises and small enterprises		—	—
Total outstanding dues other than of micro enterprises and small enterprises		626.07	1,298.00
Short-term borrowings	8	1,018.84	895.87
Current liabilities	9	33,312.76	31,710.79
Short-term provisions	10	186.63	18.99
		<u>35,144.30</u>	<u>33,923.65</u>
		<u>46,657.67</u>	<u>45,012.50</u>
<b><u>ASSETS</u></b>			
<b>1. NON-CURRENT ASSETS</b>			
Fixed Assets	11		
Tangible Assets		17,128.27	16,234.77
Intangible Assets		6.94	3.15
Capital work-in-progress		46.20	1,166.96
		<u>17,181.41</u>	<u>17,404.88</u>
Non-current Investments	12	23,139.23	23,139.23
Long-term loans and advances	13	565.88	547.08
		<u>40,886.52</u>	<u>41,091.19</u>
<b>2. CURRENT ASSETS</b>			
Inventories	14	1,337.58	1,653.40
Trade receivables	15	572.40	648.64
Cash and cash equivalents	16	142.98	466.21
Short-term loans and advances	17	3,718.19	1,153.06
		<u>5,771.15</u>	<u>3,921.31</u>
		<u>46,657.67</u>	<u>45,012.50</u>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>NOTES ON FINANCIAL STATEMENTS</b>	2-34		

As per our separate report of even date

For M. Kamal Mahajan And Co.  
Chartered Accountants  
Firm Regn. No. 006855N

(M Kamal Mahajan)  
Partner  
Membership No. 017418  
Place : New Delhi  
Date : May 30, 2016

For & on behalf of the Board of Directors of Blue Coast Hotels Limited

(Sushil Suri)  
Chairman & Managing Director  
DIN : 00012028

(Dilip Bhagtani)  
Chief Financial Officer

(Vijay Mohan Kaul)  
Director  
DIN : 00472888

(Shivam Kumar)  
Company Secretary



## Statement of Profit and Loss

For the Year Ended 31st March, 2016

		(Rs. in Lacs)	
Notes		Year Ended 31.03.2016	Year Ended 31.03.2015
<b>REVENUE</b>			
Revenue from operations	19	11,543.78	10,665.99
Other Income	20	61.40	99.44
Total Revenue		<u>11,605.18</u>	<u>10,765.43</u>
<b>EXPENSES</b>			
Cost of materials, stores & supplies	21	1,685.51	1,632.11
Employee benefits expense	22	2,377.74	2,266.42
Finance Cost	23	1,839.07	4,095.16
Depreciation	11	605.18	519.17
Other expenses	24	4,593.82	4,231.60
Total expenses		<u>11,101.31</u>	<u>12,744.46</u>
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>		503.87	(1,979.03)
Exceptional items		—	—
<b>Profit/(Loss) before extraordinary items and tax</b>		503.87	(1,979.03)
Extraordinary Items		—	—
<b>Profit/(Loss) before tax</b>		503.87	(1,979.03)
Tax expense:			
(1) Current tax (MAT)		102.73	—
(2) MAT Credit Entitlement		(102.73)	—
<b>Profit/(Loss) for the year</b>		<u>503.87</u>	<u>(1,979.03)</u>
<b>Earning per equity share of Rs.10/- each:</b>	30		
(1) Basic		0.70	(22.63)
(2) Diluted		0.70	(22.63)
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>NOTES ON FINANCIAL STATEMENTS</b>	2-34		

### As per our separate report of even date

For M. Kamal Mahajan And Co.  
Chartered Accountants  
Firm Regn. No. 006855N

**(M Kamal Mahajan)**

Partner

Membership No. 017418

Place : New Delhi

Date : May 30, 2016

### For & on behalf of the Board of Directors of Blue Coast Hotels Limited

**(Sushil Suri)**  
Chairman & Managing Director  
DIN : 00012028

**(Dilip Bhagtani)**

Chief Financial Officer

**(Vijay Mohan Kaul)**  
Director  
DIN : 00472888

**(Shivam Kumar)**

Company Secretary

## Cash Flow Statement

For the Year Ended 31st March, 2016

	Notes	Year Ended 31.03.2016	(Rs in Lacs) Year Ended 31.03.2015
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES :</b>			
Net Profit/(Loss) before Tax and extraordinary items		503.87	(1,979.03)
Adjustments for :			
Depreciation for the year	11	605.18	519.17
Loss on Sale of Fixed Assets	24	0.06	8.77
Finance cost	23	1,839.07	4,095.16
Interest Received	20	(0.77)	(6.22)
		<u>2,443.54</u>	<u>4,616.88</u>
Operating profit before working capital changes		2,947.40	2,637.85
<b>Changes in current assets and current liabilities</b>			
(Increase)/ Decrease in Trade Receivables	15	76.24	(134.22)
(Increase)/ Decrease in Short term Loans & advances	17	(2,565.13)	(129.22)
(Increase)/ Decrease in other current assets		–	187.03
(Increase)/ Decrease in Inventories	14	315.82	(30.31)
Increase/ (Decrease) in Current liabilities & Provisions	7,8, 9 & 10	<u>1,204.81</u>	<u>2,298.43</u>
Cash generated from operations		1,979.13	4,829.56
Provision for taxation of earlier years		61.17	–
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>		<u>1,917.96</u>	<u>4,829.56</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of Fixed Assets ( net )	11	(381.76)	(508.69)
Long-term loans and advances	13	(18.80)	4.49
Others non current assets		–	–
Interest Received	20	0.77	6.22
<b>NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES</b>		<u>(399.79)</u>	<u>(497.98)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Finance cost (net)	23	(1,839.07)	(4,095.16)
Long Term borrowings	4	(2.33)	(9.73)
Proceeds from Long Term liabilities	5	–	(0.02)
<b>NET CASH GENERATED/(USED) IN FINANCING ACTIVITIES</b>		<u>(1,841.39)</u>	<u>(4,104.91)</u>
Net Increase/(Decrease) in Cash and Cash equivalents(A+B+C)		(323.22)	226.67
Cash and Cash equivalents as at beginning of the year		466.20	239.53
<b>Cash and Cash equivalents as at end of the year</b>		142.98	466.20
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>NOTES ON FINANCIAL STATEMENTS</b>	2-34		

As per our separate report of even date

For M. Kamal Mahajan And Co.  
Chartered Accountants  
Firm Regn. No. 006855N

(M Kamal Mahajan)  
Partner  
Membership No. 017418  
Place : New Delhi  
Date : May 30, 2016

For & on behalf of the Board of Directors of Blue Coast Hotels Limited

(Sushil Suri)  
Chairman & Managing Director  
DIN : 00012028

(Dilip Bhagtani)  
Chief Financial Officer

(Vijay Mohan Kaul)  
Director  
DIN : 00472888

(Shivam Kumar)  
Company Secretary



## I. SIGNIFICANT ACCOUNTING POLICIES

a) Basis for preparation of accounts

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and comply with the Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules 2014 and other pronouncements of the Institute of Chartered Accountants of India, to the extent applicable and as consistently applied by the company and guidelines issued by the Securities and Exchange Board of India, to the extent applicable.

b) Use of Estimates

The preparation of financial statement requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and the reported amount of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, useful life of depreciable fixed assets and provision for impairment.

c) Fixed Assets

- i) Fixed assets are recorded at cost of acquisition and stated at historical cost.
- ii) Expenditure incurred on projects during implementation including cost of borrowing is capitalized and shown as capital work-in-progress and is apportioned to various assets on commissioning / completion of the same.

d) Depreciation

Depreciation on fixed assets is provided on straight-line method at the rates not lower than the rates prescribed by the Schedule II of the Companies Act, 2013 and in the manner as prescribed by it. Depreciation on additions/deletions during the year has been provided for on pro-rata basis.

e) Investments

Investments are stated at cost of acquisition. Provision is made, where, there is a permanent fall in the value of investment.

f) Revenue recognition

- (I) Revenue is recognized when there is reasonable certainty of its ultimate realization/ collection. Dividend income is accounted for when the right to receive the same is established.

g) Share Issue Expenses

Share issue expenses including advertisement, printing & stationery and communication expenses are written off against securities premium account.

h) Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date and the resultant net gains or losses are recognized as incomes or expenses in the year in which they arise.

i) Inventory

Inventory of provisions & beverages, wine and liquor, store and operating supplies have been valued at cost on first-in-first-out basis or net realizable value whichever is less.

j) Impairment of assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable amount of an asset which is identified as impaired is estimated and impairment loss is recognized.



k) Provision

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

l) Taxation

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

m) Earning per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

n) Employee Retirement benefits

**Short term employee benefits**

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognized in the statement of profit and loss in the period in which the employee renders the related service.

**Defined benefit plans**

Defined benefit plans of the company consists of gratuity and leave encashment.

**– Gratuity**

The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

**– Leave Encashment**

As per the company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods either to be utilized during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. The value of benefits is determined based on the seniority and the employee's salary.

The liability in respect of defined benefits plans is accrued in the books of accounts on the basis of actuarial valuation carried out by an independent actuary.

**Defined contribution plans**

Defined contribution plans of the company consist of Provident fund and Employees State Insurance.

**– Provident Fund & Employees State Insurance (ESI)**

The company makes specified monthly contribution towards the employees' provident fund & ESI for the eligible employees.

The contribution made to provident fund and ESI are charged to statement of profit and loss as and when these become payable.



# Notes on Financial Statements for the Year

Ended 31st March 2016

(Rs in Lacs )

	As at 31.03.2016	As at 31.03.2015
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## 2. A. SHARE CAPITAL

### Authorised

(i) 2,65,00,000 (Previous Year 2,65,00,000) Equity Shares of Rs.10/- each	2,650.00	2,650.00
(ii) 81,50,000 (Previous Year 81,50,000) Preference shares of Rs. 100/- each	8,150.00	8,150.00
	<u>10,800.00</u>	<u>10,800.00</u>

### Issued, Subscribed & Paid up

#### (i) Equity Share Capital

1,27,48,457 (Previous Year 1,27,48,457) Equity Shares of Rs. 10/- each fully paid up	1,274.85	1,274.85
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#### (ii) Preference Share capital

41,50,000 (Previous Year 41,50,000), 10% Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up	4,150.00	4,150.00
	<u>5,424.85</u>	<u>5,424.85</u>

## B Reconciliation of the numbers and amount of Shares:

### (i) Equity Shares

	31.03.2016		31.03.2015	
	Nos.	Amount (Rs./Lacs)	Nos.	Amount (Rs./Lacs)
Outstanding at beginning of the year	12,748,457	1,274.85	8,864,962	886.50
Add : Shares issued during the year	–	–	3,883,495	388.35
Less : Shares bought back during the year	–	–	–	–
Outstanding at the end of year	12,748,457	1,274.85	12,748,457	1,274.85

### (ii) 10% Cumulative Redeemable Preference Shares :

	31.03.2016		31.03.2015	
	Nos.	Amount (Rs./Lacs)	Nos.	Amount (Rs./Lacs)
Outstanding at beginning of the year	4,150,000	4,150.00	4,150,000	4,150.00
Add : Shares issued during the year	–	–	–	–
Less : Shares bought back during the year	–	–	–	–
Outstanding at the end of year	4,150,000	4,150.00	4,150,000	4,150.00

**(iii) 1% Cumulative Redeemable Preference Shares :**

	31.03.2016		31.03.2015	
	Nos.	Amount (Rs./Lacs)	Nos.	Amount (Rs./Lacs)
Outstanding at beginning of the year	–	–	4,000,000	4,000.00
Add : Shares issued during the year	–	–	–	–
Less : Shares converted into Equity Shares during the year	–	–	(4,000,000)	(4,000.00)
Outstanding at the end of year	–	–	–	–

**C. Rights, preferences and restrictions attached to each class of Shares and terms of redemption :**

- The company has two classes of shares referred as equity shares and preference shares having a par value of Rs. 10/- each and par value of Rs. 100/- respectively. Each holder of equity shares is entitled to one vote per share, whereas in terms of Section 47(2) of the Companies Act, 2013 , the Preference Shareholders are entitled to vote on every resolution placed before the company in the General Meeting.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of preferential amounts. The distribution will be in the proportion of the number of equity shares held by the shareholders.
- 41,50,000 10% cumulative preference shares are redeemable at par in the year 2017-18. All these shares are subject to put and call option exercisable at the end of 3rd, 6th, 9th and 12th year of allotment. Dividend arrears on above cumulative preference shares as at 31.03.2016 are Rs. 5578.47 Lacs
- Capital Redemption Reserve for redemption of Preference Shares is not created during the year because of unavailability of surplus.

**D.** The company does not have a holding company, therefore, disclosure requirements about its parent company are not applicable in the present case.

**E. Shareholders holding more than 5% shares -**

**i) Equity Shares**

Name of Shareholder	As at 31-03-2016		As at 31-03-2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ferry Holdings Limited	1,162,162	9.12%	1,162,162	9.12%
Jetty Capital Limited	1,150,000	9.02%	1,150,000	9.02%
Solace Investment & Financial Services Private Limited	1,146,196	8.99%	1,146,196	8.99%
Northern Projects Limited*	970,000	7.61%	970,000	7.61%
Seed Securities & services Private Limited	645,311	5.06%	645,311	5.06%
Solitary Investment & Financial Services Private Limited	645,243	5.06%	645,243	5.06%

\*The ownership in equity shares held by Northern Projects Limited is in dispute & the matter is pending adjudication. The court has restrained the present owner of these shares from transferring, alienating, encumbering or otherwise dealing with or parting with the possession of the shares held by it till the disposal of the suit.



## ii) Preference Shares

### a) 41,50,000, 10% Cumulative Redeemable Shares -

Name of Shareholder	As at 31-03-2016		As at 31-03-2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Brook Investment & Financial Services Private Limited	350,000	8.43	350,000	8.43
Concept Credit & Consultants Private Limited	350,000	8.43	350,000	8.43
Epitome Holdings Private Limited	400,000	9.64	400,000	9.64
Liquid Holdings Private Limited	400,470	9.65	400,470	9.65
Mid-Med Financial Services Private Limited	399,600	9.63	399,600	9.63
React Investment & Financial Services Private Limited	400,000	9.64	400,000	9.64
Scope Credit & Financial Services Private Limited	400,000	9.64	400,000	9.64
Solace Investment & Financial Services Private Limited	350,000	8.43	350,000	8.43
Solitary Investment & Financial Services Private Limited	350,000	8.43	350,000	8.43
Square Investment & Financial Services Private Limited	400,000	9.64	400,000	9.64
Seed Securities & Services Private Limited	349,930	8.43	349,930	8.43

F. There is no call unpaid as on 31.03.2016

G. No shares have been forfeited by the company during the year.

	(Rs. in Lacs)	
	As at 31.03.2016	As at 31.03.2015
<b>3. <u>RESERVES &amp; SURPLUS</u></b>		
General Reserve	1,610.88	1,926.68
Less : Depreciation on assets whose useful life is already exhausted	–	(315.80)
Less : Provision for taxation of earlier years ( Refer Note 17(i))	(61.17)	–
	<u>1,549.71</u>	<u>1,610.88</u>
Securities Premium Account	8,279.80	8,279.80
Surplus/(Deficit) -		
Opening balance	(4,494.40)	(2,515.37)
Profit/(Loss) for the period	<u>503.87</u>	<u>(1,979.03)</u>
Closing balance	<u>(3,990.53)</u>	<u>(4,494.40)</u>
	<u>5,838.98</u>	<u>5,396.28</u>

#### 4. LONG TERM BORROWINGS

##### Secured

Term Loans from Banks	2.32	4.65
	<u>2.32</u>	<u>4.65</u>

- (i) Term loans from banks represents vehicle loans, repayable on monthly basis, are secured by way of hypothecation of specific assets purchased under the hire purchase scheme.

<b>Year of Repayment</b>	<b>2017-18</b>
Annual Repayment Amount (Rs./Lacs)	2.32
Annual Rate of Interest	10 -12.50%

- (ii) Current portion of term loan from banks is shown as "Current maturities of term loan from banks" under the head "Current Liabilities". (Refer note no. 9 (vi))
- (iii) Amounts due to Non Convertible Debenture Holders & Financial Institution providing term loans are disclosed under Current Liabilities as the same have been recalled.

	As at 31.03.2016	(Rs. in Lacs) As at 31.03.2015
<b>5. <u>OTHER LONG TERM LIABILITIES</u></b>		
Earnest Money Deposit from shops within hotel	50.00	50.00
Sundry Creditors for Capital Expenditures	48.64	48.64
	<u>98.64</u>	<u>98.64</u>
<b>6. <u>LONG TERM PROVISIONS</u></b>		
Provision for employees' benefits:-		
-Gratuity (unfunded)	93.83	95.57
-Leave Encashment (Unfunded)	54.75	37.80
Other Payables	-	31.06
	<u>148.58</u>	<u>164.43</u>
<b>7. <u>TRADE PAYABLES</u></b>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues other than of micro enterprises and small enterprises	626.07	1298.00
	<u>626.07</u>	<u>1,298.00</u>

The company has identified micro & small enterprises on the basis of information available with the company. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

#### 8. SHORT TERM BORROWINGS

##### Secured Loan

Working capital loans from banks including interest thereon*	1,018.84	895.87
	<u>1,018.84</u>	<u>895.87</u>

\* Working Capital loans from banks are secured by way of a hypothecation of stock in trade comprising of raw materials, semi finished goods, finished goods, stores, book debts and other current assets of the company. Additionally it is also secured by way of second charge on the fixed assets of the company. During the year an amount of Rs 852.05 Lacs is paid by secured lender IFCI Limited to the working capital lender bank out of the alleged sale proceeds of the secure assets and the same is disputed and not acknowledged pending adjudication of its litigation with the secured lender IFCI Limited . (Refer Note No. 9(B))



(Rs. in Lacs)		
	As at 31.03.2016	As at 31.03.2015
<b>9. CURRENT LIABILITIES</b>		
i. Current maturities of Non Convertible Debentures ( Refer Note 9 (A)(b))	10,000.00	10,000.00
ii Interest accrued on debentures ( Refer Note 9 (A)(b))	5,737.13	5,737.13
iii Premium on Redemption of Debentures ( Refer Note 9 (A)(b))	2,800.00	2,800.00
iv Current maturities of term loans from financial institutions - Refer Note 9(B)	11,368.91	11,368.91
v Interest accrued and due on term loans from financial institutions - Refer Note 9(B)	1,967.85	319.36
vi Current maturities of term loan from banks	2.32	9.73
vii Advance received from customers	434.54	658.92
viii Statutory dues		
- Tax deducted at source (TDS)	51.78	17.93
- Income Tax	75.04	75.04
- Indirect Taxes	185.52	48.97
Employee benefits payable -		
-Salaries & benefits	123.00	118.82
-Provident fund /ESI	16.34	17.69
-Bonus & incentives	61.30	57.34
ix Provisions For Expenses Payable	489.03	480.95
	<u>33,312.76</u>	<u>31,710.79</u>

**(A) Current Maturities of Non Convertible Debentures**

- Non Convertible Debentures together with interest, redemption premium etc. are secured by first charge over the immovable property included in the land appearing in the schedule of fixed assets and second charge on Company's immovable properties located at 263C, Arossim, Cansaulim, Goa, both present and future and the charges of the Debenture holders shall be subject/subsequent to the existing charges of term loan lender IFCI Limited and lenders of working capital limits. The Company has pledged 10,00,00,000 number of equity shares of Silver Resort Hotel India Private Limited (a subsidiary of the company) held by the company.
- The Company is contesting the suit filed by the Debenture holder against its alleged pre-mature recall / redemption of Debentures, disputed / default interest & redemption premium thereon and non-fulfilment of its other obligations which is pending adjudication. In view of the litigation, the Debenture Redemption Reserve is not created. (Refer Note 23(b))

**(B) Current Maturities of Term Loans from financial institutions**

The secured lender IFCI Limited had initiated the recovery proceedings and allegedly auctioned the hotel property under the provisions of the SARFAESI Act which was contested by the Company at Hon'ble High Court of Bombay. By the Judgement dated 23.3.2016, the Hon'ble Bombay High Court quashed and set aside the alleged auction sale of property and directed secured lender IFCI Limited to refund the sale consideration to auction purchaser ITC Limited. subsequently ITC Ltd & IFCI Ltd have approached the Hon'ble Supreme Court against the Bombay High Court judgement whereupon the grant of stay against the order was not accepted. however, it ordered that 'Status Quo' as on 22nd April, 2016 be maintained and further ordered that the amounts paid by ITC Limited in the auction purchase shall remain with the IFCI Ltd until further orders. The Hotel property continues to be operated under the brand "Park Hyatt Goa Resort & Spa" & maintained under management agreement with Hyatt International. (Refer Note 23(b))

(C) **Detail of Continuing Default in payment of long term borrowings is as under: -**

Particulars	Principal	Interest	Period of default
	(in Lacs)	(in Lacs)	
Term Loan from financial institutions	11,368.91	–	up to 4 Years
Term Loan from financial institutions	–	1,967.85	up to 2 Year
Debentures	10,000.00	–	up to 3 Years
Debentures - Interest	–	5,737.13	up to 5 Years
Premium on redemption of debentures	–	2,800.00	up to 3 Years
	<b>21,368.91</b>	<b>10,504.98</b>	

	As at 31.03.2016	As at 31.03.2015
<b>10 SHORT TERM PROVISIONS</b>		
Provision for Income Tax (MAT)	102.73	–
Provision for taxation of earlier years ( Refer Note 17(i)	61.17	–
Provision for Employees' benefits :		
-Gratuity (unfunded)	12.19	11.45
-Leave Encashment (Unfunded)	10.53	7.54
	<b>186.63</b>	<b>18.99</b>





**11. FIXED ASSETS  
TANGIBLE ASSETS**

(Rs in lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION			CARRYING VALUE	
	As at 01.04.15	Additions	Dedu- ctions	As at 31.03.16	Adjustment in opening Balance	For the year	As at 31.03.16	As at 31.03.15
Land and Site development								
- Land	1,696.97	-	-	1,696.97	-	-	1,696.97	1,696.97
- Site Development	326.83	-	-	326.83	-	-	326.83	326.83
Buildings								
- Hotel	15,831.95	-	-	15,831.95	2,912.98	246.58	12,672.39	12,919.03
- Others	20.42	-	-	20.42	6.48	0.32	13.62	13.94
Plant and Equipment	4,211.06	1,371.06	1,107.05	4,475.07	3,832.09	114.87	1,635.16	378.97
Electrical Installations	799.43	9.93	-	809.36	658.34	19.85	131.17	141.10
Furniture's & Fixtures - Hotel	1,588.30	11.26	-	1,599.56	1,291.37	118.75	189.45	296.93
Furniture's & Fixtures - Others	106.47	1.59	-	108.06	96.56	2.73	8.76	9.91
Vehicles	385.66	3.97	10.29	379.34	247.72	42.61	98.79	137.96
Office Equipments	57.37	1.88	0.04	59.21	50.76	1.08	7.37	6.61
Operating Equipment	450.90	58.17	-	509.07	218.41	33.44	257.23	232.49
Computers	123.59	36.15	-	159.74	49.56	19.67	90.51	74.03
<b>Total</b>		<b>25,598.95</b>	<b>1,494.01</b>	<b>1,117.38</b>	<b>25,975.57</b>	<b>-</b>	<b>8,847.35</b>	<b>17,128.27</b>
<b>16,234.77</b>								
Previous Year	25,398.52	235.60	35.17	25,598.95	8,546.46	516.10	16,234.77	16,852.06
<b>INTANGIBLE ASSETS</b>								
Computer Software	<b>79.91</b>	<b>9.06</b>	-	<b>88.97</b>	<b>76.76</b>	<b>5.27</b>	<b>6.94</b>	<b>3.15</b>
Previous Year	79.00	0.91	-	79.91	73.69	3.07	3.15	5.31
<b>CAPITAL WORK-IN-PROGRESS</b>								
<b>CWIP</b>	<b>1,166.96</b>	<b>220.50</b>	<b>1,341.26</b>	<b>46.20</b>	-	-	<b>46.20</b>	<b>1,166.96</b>
Previous Year	882.56	284.40	-	1,166.96	-	-	1,166.96	882.56
<b>Grand Total</b>	<b>26,845.82</b>	<b>1,723.57</b>	<b>2,458.64</b>	<b>26,110.74</b>	<b>9,441.03</b>	<b>505.18</b>	<b>17,181.41</b>	<b>17,404.88</b>
Previous Year	26,360.08	520.91	35.17	26,845.82	8,620.15	519.17	17,404.88	-

	(Rs. in Lacs)	
	As at 31.03.2016	As at 31.03.2015
<b>12. NON- CURRENT INVESTMENTS</b>		
<b>A. Trade Investments (At Cost)</b>		
(a) Unquoted		
<u>Subsidiary Companies</u>		
(i) 50,000 (P.Y. 50,000) Equity Shares of Rs.10/- each fully paid up of Blue Coast Hospitality Ltd	5.00	5.00
(ii) 50,000 (P.Y. 50,000) Equity Shares of Rs.10/- each fully paid up of Golden Joy Hotel Pvt. Limited	5.00	5.00
(iii) 18,85,10,000 (P.Y. 18,85,10,000) Equity Shares of Rs.10/- each fully paid up of Silver Resort Hotel India Private Limited	18,851.00	18,851.00
<u>Associate Company</u>		
15,600 (P.Y.15,600) Equity Shares of Rs.10/- each fully paid up of Joy Hotel & Resorts Pvt. Limited	4,275.00	4,275.00
	<u>23,136.00</u>	<u>23,136.00</u>
<b>B. Other Investments (At Cost) -</b>		
(a) Quoted		
6,250 (P.Y. 6,250) Equity Shares of Rs. 2/- each fully paid-up of ICICI Bank Ltd.	1.22	1.22
(Market value of quoted investment is Rs. 14.79 Lacs (P.Y. Rs.19.61 Lacs))		
(b) Unquoted		
4,020 (P.Y. 4,020) Equity Shares of Rs.50/- each fully paid up of Dombvli Nagari Sehkari Bank Limited	2.01	2.01
	<u>3.23</u>	<u>3.23</u>
<b>Total (A+B)</b>	<u>23,139.23</u>	<u>23,139.23</u>
Aggregate amount of quoted investment	1.22	1.22
Aggregate amount of unquoted investment	23,138.01	23,138.01
(i) Provision for fall in carrying value of investments in respect of losses in the subsidiaries & the associate Company has not been made, as these losses, in management's perception, are temporary in nature. These companies have not started commercial operation till the balance sheet date.		
(ii) Out of 18,85,10,000 equity share of Rs. 10/- each fully paid up of subsidiary company Silver Resort Hotel India (P) Limited, 10,00,00,000 equity share of Rs. 10/- each are pledged with debenture holders. The remaining 8,85,10,000 equity shares are pledged with term lender.		
(iii) All 15,600 equity share of Rs. 10/- each fully paid up of associate company Joy Hotel & Resorts (P) Limited are pledged with term lenders of the associate company for securing the term loans, interest on loans and all other related moneys payable as availed by the associate company for its upcoming five star hotel project at Chandigarh.		
(iv) The investments in shares in Silver Resort Hotel India ( P ) Limited and associate company are made solely with the motive to acquire and retain controlling stake, in furtherance of its business interest in hotel business.		



(Rs. in Lacs)		
	As at 31.03.2016	As at 31.03.2015
<b>13. <u>LONG TERM LOANS AND ADVANCES</u></b>		
(Unsecured, considered good)		
Security Deposits	101.16	83.11
Loans & Advances to subsidiaries :-		
Blue Coast Hospitality Limited		
(Maximum balance outstanding during the year- Rs. 206.53 Lacs)	206.53	206.34
Golden Joy Hotel Pvt. Limited		
(Maximum balance outstanding during the year- Rs. 258.19 Lacs)	258.19	257.63
	<u>565.88</u>	<u>547.08</u>
<b>14. <u>INVENTORIES</u></b>		
(At cost or Net Realizable Value whichever is lower)		
Stores and Operating supplies	1,190.79	1,498.37
Provisions & Beverages	27.17	36.33
Wine & Liquor	119.63	118.70
	<u>1,337.58</u>	<u>1,653.40</u>
The inventory has been taken, valued and certified by the management.		
<b>15. <u>TRADE RECEIVABLES</u></b>		
Trade receivables outstanding for a period exceeding six months		
Unsecured -		
considered good	24.12	0.09
considered doubtful	0.60	0.50
Less : Allowance for doubtful debts	(0.60)	(0.50)
	<u>24.12</u>	<u>0.09</u>
Other Debts		
Unsecured -		
considered good	548.28	648.55
	<u>572.40</u>	<u>648.64</u>
<b>16. <u>CASH AND CASH EQUIVALENTS</u></b>		
<u>Balances with banks</u>		
i) Current Accounts	116.70	448.98
ii) Bank Balances held as -		
- Fixed Deposit against Margin money	6.28	8.08
Cheques, draft ion Hand	-	-
Cash on hand	20.00	9.14
	<u>142.98</u>	<u>466.21</u>

	(Rs. in Lacs)	
	As at 31.03.2016	As at 31.03.2015
<b>17. <u>SHORT TERM LOANS AND ADVANCES</u></b>		
(Unsecured, considered good)		
Balance with Revenue Authorities ( Refer Note 17(i))	1,148.79	865.46
Loans & advances to employees	20.53	8.56
Capital Advances	2,250.00	–
Advances with Suppliers & Others	298.87	279.04
	<u>3,718.19</u>	<u>1,153.06</u>
(i) Balance with revenue authorities includes tax deducted at source of earlier years which has been adjusted against the demand raised by the department, pending reconciliation, a provision of Rs 61.17 Lacs is made out of General Reserves.		
(ii) The amount represents paid to the co-developer for improvement of existing room inventory, development of additional rooms/ villa for increasing the room inventory within the boundary of the hotel.		
<b>18. <u>CONTINGENT LIABILITIES AND COMMITMENTS</u></b>		
<b><u>(TO THE EXTENT NOT PROVIDED FOR)</u></b>		
<b>a) Contingent Liabilities</b>		
Guarantees		
- For securing loans of upcoming hotel project at Chandigarh related to associate company (Refer Note 18(i))	6,500.00	6,500.00
- For operation of the company	17.12	17.12
<b>b) Commitments</b>		
- Estimated amount of contracts remaining to be executed on capital account	250.00	225.06
<b>c) Other money for which company is contingently liable</b>		
- Disputed Claim for a short fall of buy back of equity share capital of subsidiary company Silver Resort Hotel India (P) Limited. ( Refer Note 18 (ii))	8,500.00	8,500.00
- Disputed Claim for non performance of obligations by Subsidiary Company Golden Joy Hotel (P) Limited - Refer Note 18(iii)	–	–
- Claim for reimbursement of expenses	354.60	354.60
- Dividend on cumulative preference shares 10% cumulative redeemable preference shares - accumulated	5,578.47	5,163.47
- Income Tax Matters	1.16	45.79
	<u>21,201.36</u>	<u>20,806.04</u>



(Rs. in Lacs)

	As at 31.03.2016	As at 31.03.2015
(i) The lenders to whom guarantee is given for securing term loans of associate company Joy Hotel & Resorts Private Limited have initiated recovery proceedings against the associate company under SARFAESI Act, 2002. The lenders are fully secured against the primary security i.e. mortgage of project land & building thereon. The associate company has also challenged the alleged illegal resumption of the project site by the Lessor due to non-fulfilment of the terms of the change of land use from industrial to commercial use. Both the matters are pending adjudication.		
(ii) The financial institution from which the company has taken term loan has also invested in the equity share capital of the subsidiary of the company Silver Resort Hotel India (P) Limited (setting up a five star hotel project near International Airport, Delhi) to the tune of Rs. 8500.00 Lacs. The company has executed Buy-back agreements on joint & several basis with the erstwhile directors. Till the buy back of entire equity is completed, IFCI Limited has an first charge basis on "Park Hyatt Goa Resort & Spa" Hotel property of the company situated at 263C, Arrossim, Cansaulim, Goa. Exercising the above right, the institution had called upon the company to honour buy back obligation in respect of equity contribution of Rs 8500 Lacs alongwith simple assured return on the investment @ 23% per annum (disputed) w.e.f. date of agreement dated 12.03.2010. The recall / claim will be contested due to non-fulfilment of the obligations undertaken by the financial institution.		
(iii) Disputed Claim for non performance of obligations to Punjab Urban Development Authority (PUDA) of Rs 1031.18 Lacs (previous year Rs 776.25 Lacs) pertains to subsidiary company Golden Joy Hotel (P) Limited. The company was a bidder for the project and had given a Bank Guarantee of Rs 500 Lacs ( Previous Year Rs 500 Lacs ) which has since expired and the claim will be contested by the Company for non-fulfilment of the obligations undertaken by PUDA under the Agreements		
<b>19. <u>REVENUE FROM OPERATIONS</u></b>		
Room Income	7,592.71	6,890.91
Provisions & Beverages	2,270.61	2,016.57
Wine and liquor	1,020.13	1,024.82
Communications	2.49	4.08
Others	657.84	729.61
	<b>11,543.78</b>	<b>10,665.99</b>
<b>20. <u>OTHER INCOME</u></b>		
Interest Income	0.77	6.22
Dividend received on investments	0.66	0.75
Miscellaneous Income	59.97	92.47
	<b>61.40</b>	<b>99.44</b>
<b>21. <u>COST OF MATERIALS, STORES &amp; SUPPLIES</u></b>		
(a) Stores & Operating supplies		
Opening Stock	1,498.37	1,455.55
Add : Purchases	406.46	668.66
	<b>1,904.83</b>	<b>2,124.21</b>
Less: Closing Stock	1,190.79	1,498.37
	<b>714.04</b>	<b>625.84</b>

	(Rs. in Lacs)	
	As at 31.03.2016	As at 31.03.2015
(b) Provisions & Beverages		
Opening Stock	36.33	45.19
Add : Purchases	817.61	703.45
	853.94	748.64
Less: Closing Stock	27.17	36.33
	826.77	712.31
(c) Wine & Liquor		
Opening Stock	118.70	122.34
Add : Purchases	145.62	290.32
	264.32	412.66
Less: Closing Stock	119.63	118.70
	144.69	293.96
<b>Total (a+b+c)</b>	<b>1,685.51</b>	<b>1,632.11</b>
<b>22. <u>EMPLOYEE BENEFITS EXPENSE</u></b>		
Salaries and Wages	1,797.60	1,724.62
Gratuity & Leave Encashment	63.04	63.35
Contribution to Provident Fund and ESI	114.45	95.27
Staff Welfare	402.65	383.18
	2,377.74	2,266.43
<b>23. <u>FINANCE COST</u></b>		
<u>Finance Cost on operations</u>		
Interest	632.04	728.86
Bank charges	47.03	29.81
<u>Finance Cost on Investments</u>		
Interest	1,160.00	3,089.48
Premium on redemption of debentures	—	247.01
	1,839.07	4,095.15

- (a) Finance cost on Investments is incurred on investments in companies/ SPV engaged in hotel business.
- (b) No provision for interest or any other charges has been made during the year on debentures pending litigation and recovery proceedings ( Refer Note 9(a)). Further, Interest is provided at simple contracted rate of interest on term loan from financial institution in view of the initiation of recovery proceeding and pending litigation, subject to order of the court. ( Refer Note 9(b))



**24 OTHER EXPENSES**

Telephone	26.01	26.72
Power & Fuel	728.18	801.06
Rent	51.74	59.29
Repair to buildings	73.06	49.60
Repairs to machinery	571.75	424.27
Insurance	44.10	27.58
Rates and Taxes	5.45	5.51
Legal and Professional Expenses	664.42	505.21
Travelling Expenses	150.63	169.48
Selling and Advertisement Expenses	915.33	816.83
Management fees	775.57	673.76
Printing & Stationery	50.07	47.92
Loss on Sale of Fixed Assets	0.06	8.77
Miscellaneous Expenses	537.45	615.60
	<u>4,593.82</u>	<u>4,231.60</u>

**25. PAYMENT TO STATUTORY AUDITORS**

(Rs. In lacs)

Particulars	31.03.2016	31.03.2015
Audit Fee	20.00	15.00
Tax Audit Fee	3.00	3.00
Tax Matters	2.50	2.50
Certification	0.89	1.00
Service Tax	3.82	2.66
<b>Total</b>	<b>30.21</b>	<b>24.16</b>

**26. PRIOR PERIOD ITEMS**

Expenses include Rs. 20.00 Lacs (Previous Year Rs.1.28 Lacs) as expenses (net) relating to earlier years.

**27. EMPLOYEE BENEFITS**

Disclosures as per Accounting Standard, AS-15 (Revised) "Employee Benefits" is as under:-

**(A) Disclosure for Defined Contribution Plans :-**

(Rs. In lacs)

Particulars	31.03.2016	31.03.2015
Employer's contribution to Provident Fund	95.78	95.27
Employer's contribution to Employees State Insurance	18.67	41.40
<b>Total</b>	<b>114.45</b>	<b>136.67</b>



**(B) Disclosure for Defined Benefits Plans**

(Rs. In lacs)

i. Particulars	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>Change in the present value of obligation :</b>				
Present Value of Obligation as at the beginning of the year	107.00	97.40	45.32	59.60
Add : Interest Cost	8.35	8.87	3.54	5.43
Add : Current Service Cost	24.33	26.09	24.54	15.12
Less : Benefit paid	(17.29)	(32.25)	(26.81)	(35.78)
Add : Actuarial gain/ (loss) on obligations	(16.38)	6.89	18.67	0.96
Present Value of Obligation as at the close of the year	106.01	107.00	65.26	45.32

  

ii. Particulars	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>Change in the fair value of Plan Assets :</b>				
Fair Value of Plan Assets at the beginning of the year	—	—	—	—
Add : Expected Return on Plan Assets	—	—	—	—
Add : Contributions	—	—	—	—
Less : Benefit paid	—	—	—	—
Fair Value of Plan Assets as at the close of the year	—	—	—	—

  

iii. Particulars	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>Expense recognized in the Statement of Profit and Loss</b>				
Current Service Cost	24.32	26.09	24.54	15.12
Add: Interest Cost	8.35	8.87	3.54	5.43
Less: Expected Return On Plan Assets	—	—	—	—
Less: Settlement Credit	—	—	—	—
Add: Net actuarial (gain)/ loss recognized	(16.38)	6.89	18.67	0.95
Total expenses recognized in Statement of Profit & Loss	16.29	41.85	46.75	21.50

iv. The following table sets out the assumptions used in actuarial valuation of gratuity and leave encashment -

Particulars	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Discount Rate	7.50%	7.80%	7.50%	7.80%
Rate of Increase in Compensation Levels	10.00%	10.00%	10.00%	10.00%
Rate of Return on Plan Assets	—	—	—	—
Expected average remaining working lives of employees (years)	29.14	28.90	28.72	29.01



## 28. SEGMENT REPORTING

The Company's business activity falls within a single primary business segment i.e. hotel operations, hence the disclosure requirements of Accounting Standards (AS - 17) "Segment Reporting", issued by the Institute of Chartered Accountants of India are not applicable.

## 29. DEFERRED TAX ASSET/LIABILITY:

As required by Accounting Standard - 22 "Accounting for taxes on income" issued by Institute of Chartered Accountants of India, deferred tax asset on losses for the year has not been created as a matter of prudence.

## 30. EARNING PER SHARE:

	31.03.2016	31.03.2015
Profit/(Loss) for the year (Rs .in Lacs)	503.87	(1,979.03)
Less : Preference Share Dividend	415.00	415.00
Profit/(Loss) available for equity share holders (Rs. In Lacs)	88.87	(2,394.03)
Add: Dividend on cumulative preference shares (Convertible)	–	–
Adjusted Profit/(Loss) available for equity share holders (Rs .in Lacs)	88.87	(2,394.03)
Weighted average number of equity shares outstanding for Basic earning per share	12,748,457	10,577,956
Effect of dilutive equity shares on account of conversion of preference shares	–	–
Weighted average number of equity shares outstanding for Diluted Earning per share	12,748,457	10,577,956
Basic earnings per share in rupees (face value - Rs.10 per share)	0.70	(22.63)
Diluted earnings per share in rupees (face value - Rs.10 per share)	0.70	(22.63)

31. In the opinion of management, there is no impairment condition exists as on 31st March, 2016. Hence no provision is required in the accounts for the current period ending.

## 32. RELATED PARTY DISCLOSURES

Disclosure as required by the accounting standard "Related Party Disclosures" (AS-18) issued by the Institute of Chartered Accountants of India are given here under :

a.	Related parties	Name
i.	Subsidiary Companies	Blue Coast Hospitality Limited Golden Joy Hotel Private Limited Silver Resort Hotel India Pvt. Limited
ii.	Associate Company	Joy Hotel and Resorts Private Limited
iii.	Key Management Personnel	Mr. Sushil Suri - Chairman & Managing Director Mr. Dilip Bhagtani - Chief Financial Officer Mr. Shivam Kumar - Company Secretary
iv.	Entities over which key management personnel/ relatives of key management personnel are able to exercise significant influence with which the Company has transactions during the period	Blue Coast Infrastructure Development Private Limited (Refer Note 17 (ii))

<b>b.</b>	<b>Transaction with Related parties</b>	<b>Nature of transaction</b>	<b>Amount (Rs/lacs)</b>
i.	Subsidiary Companies	Advances	0.75
		Closing balance as on 31.03.2016 (Payable)/Recoverable	464.72
		Maximum balance outstanding during the year	464.72
ii.	Associate Company	Nil	–
iii.	Key Management Personnel	Remuneration / Perquisites	71.62
		Closing balance as on 31.03.2016 (Payable) / Recoverable	(4.04)
		Maximum balance outstanding during the year	(4.04)
iv.	Entities over which key management personnel/ relatives of key management personnel are able to exercise significant influence with which the Company has transactions during the period.	Capital commitments	2,500.00
		Closing Balance as on 31.03.2016 (Payable / Recoverable)	2,250.00
		Maximum balance outstanding during the year (Payable / Receivable)	2,250.00

**33. Foreign Exchange Earnings**

(Rs. In Lacs)

<b>Particulars</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Receipts from operations	4,538.04	3,099.00

**Expenditure in Foreign Currency**

<b>Particulars</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Capital Goods	40.05	129.85
Others	1,685.53	1,019.49



**34. OTHERS SIGNIFICANT DISCLOSURES**

- a) In the opinion of directors, all the assets, except stated otherwise, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the books of accounts and the provision for depreciation and for all known liabilities is adequate and considered reasonable.
- b) Balances with parties, lenders & banks appearing under various heads are subject to confirmation.
- c) In view of the brought forward losses, the provision for income tax is made under the provisions of the Minimum Alternate Tax ( MAT )
- d) During the year, in view of the pending litigations ( Refer Note 9(A) (a) & (b) , the tax deduction at source is deferred & adjusted for the previous years under the respective party accounts till the settlement of the cases.
- e) Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout by making the suitable adjustment in the respective accounting heads
- f) Figures have been given in Lacs.

## Independent Auditors' Report on Consolidated Financial Statements

To

**The Members of Blue Coast Hotels Limited**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Blue Coast Hotels Limited** ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the



circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 March 2016, their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to the following notes on the financial statements:

- (i) Note no. 10(B) to the financial statements regarding the secured lender IFCI Limited had initiated the recovery proceedings and allegedly auctioned the hotel property under the provisions of the SARFAESI Act which was contested by the Company at Hon'ble High Court of Bombay. By the Judgement dated 23.3.2016, the Hon'ble Bombay High Court quashed and set aside the alleged auction sale of property and directed secured lender IFCI Limited to refund the sale consideration to auction purchaser ITC Limited. subsequently ITC Ltd & IFCI Ltd have approached the Hon'ble Supreme Court against the Bombay High Court judgement whereupon the grant of stay against the order was not accepted. however, it ordered that 'Status Quo' as on 22nd April, 2016 be maintained and further ordered that the amounts paid by ITC Limited in the auction purchase shall remain with the IFCI Ltd until further orders. The Hotel property continues to be operated under the brand "Park Hyatt Goa Resort & Spa" & maintained under management agreement with Hyatt International.
- (ii) Note no. 10(D) to the financial statements regarding the company has invoked an arbitration to settle the alleged termination notice terminating the Development Agreement & Infrastructure Development & Services Agreement, disputed amounts in respect of licence Fee, advance Development cost & interest thereon due to plot being not available for an immediate development, security concerns, pending pre-construction approvals etc. The company has deposited a sum of Rs 550 Lacs with the Hon'ble High Court of Delhi to demonstrate its bona-fide against the alleged demand of Rs 61,26,71,384/- stated in the termination letter by DIAL. The Hon'ble High Court ordered that DIAL should refrain from taking any further precipitate action. subsequently, the matter was referred to the Arbitral Tribunal with directions that interim order shall continue till otherwise varied by the Arbitral Tribunal. During the year, the company has also received a statutory notice from DIAL requiring it to pay the dues towards licence fees, advance development cost & interest thereon which is being disputed by the company. The arbitration proceedings are pending adjudication. Further, DIAL has filed a Petition for the winding up of the Company before High Court of Bombay at Goa. The case is pending adjudication.
- (iii) Note no. 21(iv) to the financial statements regarding the Company Silver Resort Hotel India Private Limited has received a show cause notice from service tax department for the booking of the commercial space within the hotel by the co-developer and if any, claim will be recoverable from the respective unit holders by the co-developer.

- (iv) Note no. 21(v) to the financial statements regarding disputed Claim for non-performance of obligations to Punjab Urban Development Authority (PUDA) of Rs 1031.18 Lacs ( Previous year Rs 776.25 Lacs) pertains to Subsidiary Company Golden Joy Hotel (P) Limited. The Company was a bidder for the project and had given a Bank Guarantee of Rs 500 Lacs ( Previous Year Rs 500 Lacs ) which has since expired and the claim will be contested by the Company for non-fulfillment of the obligations undertaken by PUDA under the Agreements.
- (v) Note no. 26(b) to the financial statements regarding no provision for interest or any other charges has been made during the year on debentures pending litigation and recovery proceedings. Further, Interest is provided at simple contracted rate of interest on term loan from financial institution in view of the initiation of recovery proceeding and pending litigation, subject to order of the court.
- (vi) The appropriateness of assumption of going concern is dependent upon realization of the various initiatives undertaken by the company, outcome of court cases and / or the company's ability to raise requisite finance / generate cash flows in future to meet its obligations.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company and its Indian subsidiaries as on 31 March 2016 taken on record by the Board of Directors of the respective companies, none of the Directors of the Group companies is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note no 21 to the consolidated financial statements;





- ii. the Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. No amount was required to be transferred to the Investors Education and Protection Fund by the company.

For M.Kamal Mahajan And Co.  
Chartered Accountants  
Firm Regn No. 006855N

**M. Kamal Mahajan**  
(Partner)  
M.No.017418

Place : New Delhi  
Date : May 30, 2016

## **Annexure - A to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of **Blue Coast Hotels Limited** ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance



regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For M.Kamal Mahajan And Co.  
Chartered Accountants  
Firm Regn No. 006855N

**M. Kamal Mahajan**  
(Partner)  
M. No. 017418

Place : New Delhi  
Date : May 30, 2016

# Consolidated Balance Sheet

As at 31st March, 2016

(Rs. in lacs)

	Notes	As at 31.03.2016	As at 31.03.2015
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
Share capital	2	5,424.85	<b>5,424.85</b>
Reserves and Surplus	3	<b>5,779.00</b>	<b>5,337.60</b>
		<b>11,203.85</b>	<b>10,762.45</b>
<b>2. MINORITY INTEREST</b>	4	<b>8,478.79</b>	<b>8,478.79</b>
<b>3. NON - CURRENT LIABILITIES</b>			
Long-term borrowings	5	<b>2.32</b>	<b>4.65</b>
Other Long term liabilities	6	<b>98.64</b>	<b>98.66</b>
Long-term provisions	7	<b>148.58</b>	<b>164.43</b>
		<b>249.54</b>	<b>267.73</b>
<b>4. CURRENT LIABILITIES</b>			
Short-term borrowings	8	<b>1,018.84</b>	<b>895.87</b>
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		<b>–</b>	<b>–</b>
Total outstanding dues other than of micro enterprises and small enterprises		<b>721.01</b>	<b>1,348.76</b>
Other current liabilities	10	<b>54,655.42</b>	<b>49,520.09</b>
Short-term provisions	11	<b>186.62</b>	<b>18.99</b>
		<b>56,581.89</b>	<b>51,783.70</b>
		<b>76,514.07</b>	<b>71,292.69</b>
<b><u>ASSETS</u></b>			
<b>1. NON-CURRENT ASSETS</b>			
Fixed Assets	12		
Tangible Assets		<b>56,471.56</b>	<b>54,052.33</b>
Intangible Assets		<b>494.88</b>	<b>406.36</b>
Capital work-in-progress		<b>6,704.79</b>	<b>7,132.79</b>
		<b>63,671.23</b>	<b>61,591.48</b>
Non-current Investments	13	<b>4,278.23</b>	<b>4,278.23</b>
Long-term loans and advances	14	<b>564.65</b>	<b>543.83</b>
		<b>68,514.12</b>	<b>66,413.54</b>
<b>2. CURRENT ASSETS</b>			
Current Investments	15	<b>701.31</b>	<b>–</b>
Inventories	16	<b>1,337.59</b>	<b>1,653.39</b>
Trade receivables	17	<b>572.40</b>	<b>648.64</b>
Cash and cash equivalents	18	<b>150.36</b>	<b>471.67</b>
Short-term loans and advances	19	<b>5,237.34</b>	<b>2,104.85</b>
Other current assets	20	<b>0.95</b>	<b>0.60</b>
		<b>7,999.95</b>	<b>4,879.15</b>
		<b>76,514.07</b>	<b>71,292.69</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>NOTES ON CONSOLIDATED FINANCIAL STATEMENTS</b>	2-32		

As per our separate report of even date

For M. Kamal Mahajan And Co.  
Chartered Accountants  
Firm Regn. No. 006855N

(M Kamal Mahajan)

Partner

Membership No. 017418

Place : New Delhi

Date : May 30, 2016

For & on behalf of the Board of Directors of Blue Coast Hotels Limited

(Sushil Suri)

Chairman & Managing Director

DIN : 00012028

(Dilip Bhagtani)

Chief Financial Officer

(Vijay Mohan Kaul)

Director

DIN : 00472888

(Shivam Kumar)

Company Secretary



# Consolidated Statement of Profit and Loss

For the Year Ended 31st March, 2016

		(Rs. in lacs)	
		Year Ended	Year Ended
	Notes	31.03.2016	31.03.2015
<b>REVENUE</b>			
Revenue from operations	22	11,543.78	10,665.99
Other Income	23	61.40	99.44
Total Revenue		<u>11,605.18</u>	<u>10,765.43</u>
<b>EXPENSES</b>			
Cost of materials, stores & supplies	24	1,685.51	1,632.10
Employee benefits expense	25	2,377.74	2,266.45
Finance Cost	26	1,839.07	4,095.16
Depreciation	12	605.18	519.16
Other expenses	27	4,595.11	4,232.95
Total expenses		<u>11,102.61</u>	<u>12,745.81</u>
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>		502.57	(1,980.38)
Exceptional items		—	—
<b>Profit/(Loss) before extraordinary items and tax</b>		<u>502.57</u>	<u>(1,980.38)</u>
Extraordinary Items - Income(net of taxes)		—	—
<b>Profit/(Loss) before tax</b>		<u>502.57</u>	<u>(1,980.38)</u>
Tax expense :			
(1) Current tax (MAT)		102.73	—
(2) MAT Credit Entitlement		(102.73)	—
(3) Income Tax provision of earlier years		—	—
<b>Profit/(Loss) after tax but before Minority Interest</b>		<u>502.57</u>	<u>(1,980.38)</u>
Share of Minority Interest in Profit/(Loss)		—	—
<b>Profit/(Loss) for the year available for majority shareholders</b>		<u>502.57</u>	<u>(1,980.38)</u>
Earnings per equity share of Rs.10/- each:			
(1) Basic		0.69	(22.64)
(2) Diluted		0.69	(22.64)

## SIGNIFICANT ACCOUNTING POLICIES

1

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

2-32

### As per our separate report of even date

For M. Kamal Mahajan And Co.

Chartered Accountants

Firm Regn. No. 006855N

**(M Kamal Mahajan)**

Partner

Membership No. 017418

Place : New Delhi

Date : May 30, 2016

### For & on behalf of the Board of Directors of Blue Coast Hotels Limited

**(Sushil Suri)**

Chairman &amp; Managing Director

DIN : 00012028

**(Dilip Bhagtani)**

Chief Financial Officer

**(Vijay Mohan Kaul)**

Director

DIN : 00472888

**(Shivam Kumar)**

Company Secretary

# Consolidated Cash Flow Statement

For the year ended 31st March, 2016

		(Rs. in lacs)	
	Notes	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net Profit/(Loss) before Tax and extraordinary items		502.57	(1,980.38)
Adjustments for :			
Depreciation for the year	12	605.18	519.16
Loss on Sale of Fixed Assets	27	0.06	8.77
Finance cost	26	1,839.07	4,095.16
Interest Received	23	(0.77)	(6.22)
		<u>2,443.54</u>	<u>4,616.87</u>
<b>Operating profit before working capital changes</b>		<b>2,946.11</b>	<b>2,636.49</b>
(Increase)/ Decrease in Trade Receivables	17	76.24	(134.22)
(Increase)/ Decrease in Short term Loans & advances	19	(3,132.49)	130.73
(Increase)/ Decrease in other current assets	20	(0.35)	637.79
(Increase)/ Decrease in inventories	16	315.80	(30.30)
Increase/ (Decrease) in Current liabilities & Provisions	8,9, 10 & 11	4,798.19	5,661.33
Increase in Long term provisions	7	(15.85)	34.08
<b>Cash generated from operations</b>		<b>4,987.65</b>	<b>8,935.90</b>
Provision for taxation of earlier years		61.17	—
<b>Cash Flow before extraordinary items</b>		<b>4,926.48</b>	<b>8,935.90</b>
Extraordinary items		—	—
Deferred tax liability on extraordinary items		—	—
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>		<b><u>4,926.48</u></b>	<b><u>8,935.90</u></b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of Fixed Assets ( net )	12	(2,685.03)	(4,598.98)
Long-term loans and advances	14	(20.82)	(9.28)
Mutual Funds	15	(701.31)	—
Interest Received	23	0.77	6.22
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b><u>(3,406.39)</u></b>	<b><u>(4,602.04)</u></b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Finance cost (paid)	26	(1,839.07)	(4,095.16)
Proceeds from Long Term borrowings (Net)	5	(2.33)	(9.73)
Changes in Long Term liabilities	6	—	—
<b>NET CASH GENERATED/(USED) IN FINANCING ACTIVITIES</b>		<b><u>(1,841.40)</u></b>	<b><u>(4,104.89)</u></b>
Net Increase/(Decrease) in Cash and Cash equivalents		<b>(321.31)</b>	<b>228.97</b>
(A+B+C)			
Cash and Cash equivalents as at beginning of the year		471.67	242.70
<b>Cash and Cash equivalents as at end of the year</b>		<b>150.36</b>	<b>471.67</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>NOTES ON CONSOLIDATED FINANCIAL STATEMENTS</b>	2-32		

As per our separate report of even date

For M. Kamal Mahajan And Co.  
Chartered Accountants  
Firm Regn. No. 006855N

(M Kamal Mahajan)  
Partner  
Membership No. 017418  
Place : New Delhi  
Date : May 30, 2016

For & on behalf of the Board of Directors of Blue Coast Hotels Limited

(Sushil Suri)  
Chairman & Managing Director  
DIN : 00012028

(Dilip Bhagtani)  
Chief Financial Officer

(Vijay Mohan Kaul)  
Director  
DIN : 00472888

(Shivam Kumar)  
Company Secretary



## I. SIGNIFICANT ACCOUNTING POLICIES

### a) Basis for preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and comply with the Accounting Standards as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, other pronouncements of the Institute of Chartered Accountants of India and guidelines issued by the Securities and Exchange Board of India, to the extent applicable and as consistently applied by the company.

The consolidated financial statements consist of financial statements of Blue Coast Hotels Limited (parent company) and its three subsidiaries namely Blue Coast Hospitality Limited, Golden Joy Hotel Private Limited and Silver Resort Hotel India Private Limited.

Investment in Associate Company has been accounted as per Accounting Standard 23 i.e. Accounting for Investment in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

The particulars of the subsidiary companies included in consolidation and parent company's holding therein are as under:-

Subsidiary Company	Country of Incorporation	Percentage of Holding (%)
Blue Coast Hospitality Ltd.	India	100
Golden Joy Hotel Private Ltd.	India	100
Silver Resort Hotel India Private Ltd.	India	68.92

### b) Use of Estimates

The preparation of financial statement requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and the reported amount of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, useful life of depreciable fixed assets and provision for impairment.

### c) Fixed Assets

- Fixed assets are recorded at cost of acquisition and stated at historical cost.
- Expenditure incurred on projects during implementation including cost of borrowing is capitalized and shown as capital work-in-progress and is apportioned to various assets on commissioning / completion of the same.

### d) Depreciation

Depreciation on fixed assets is provided on straight-line method at the rates not lower than the rates prescribed by the Schedule II of the Companies Act, 2013 and in the manner as prescribed by it. Depreciation on additions/deletions during the year has been provided for on pro-rata basis.

### e) Investments

Investments are stated at cost of acquisition. Provision is made, where, there is a permanent fall in the value of investment.

### f) Revenue recognition

Revenue is recognized when there is reasonable certainty of its ultimate realization/ collection. Dividend income is accounted for when the right to receive the same is established.



g) **Share Issue Expenses**

Share issue expenses including advertisement, printing & stationery and communication expenses are written off against securities premium account.

h) **Foreign Currency Transactions**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date and the resultant net gains or losses are recognized as incomes or expenses in the year in which they arise.

i) **Inventory**

Inventory of provisions & beverages, wine and liquor, store and operating supplies have been valued at cost on first-in-first-out basis or net realizable value whichever is less.

j) **Impairment of assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable amount of an asset which is identified as impaired is estimated and impairment loss is recognized.

k) **Provision**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

l) **Taxation**

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

m) **Earning per Share**

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

n) **Employee Retirement benefits**

**Short term employee benefits**

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognized in the statement of profit and loss in the period in which the employee renders the related service.



### **Defined benefit plans**

Defined benefit plans of the company consists of gratuity and leave encashment.

#### **-Gratuity**

The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

#### **-Leaves Encashment**

As per the company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods either to be utilized during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. The value of benefits is determined based on the seniority and the employee's salary.

The liability in respect of defined benefits plans is accrued in the books of accounts on the basis of actuarial valuation carried out by an independent actuary.

### **Defined contribution plans**

Defined contribution plans of the company consist of Provident fund and Employees State Insurance.

#### **-Provident Fund & Employees State Insurance (ESI)**

The company makes specified monthly contribution towards the employees' provident fund & ESI for the eligible employees.

The contribution made to provident fund and ESI are charged to statement of profit and loss as and when these become payable.

## Notes on Consolidated Financial Statements

For The Year Ended 31st March 2016

		(Rs in lacs )			
		As at 31.03.2016	As at 31.03.2015		
<b>2 A. <u>SHARE CAPITAL</u></b>					
<b><u>Authorised</u></b>					
(i)	2,65,00,000 (Previous Year 2,65,00,000) Equity Shares of Rs.10/- each	2,650.00	2,650.00		
(ii)	81,50,000 (Previous Year 81,50,000) Preference shares of Rs. 100/- each	8,150.00	8,150.00		
<b><u>Issued, Subscribed &amp; Paid up</u></b>					
(i)	<b><u>Equity Share Capital</u></b>				
	1,27,48,457 (Previous Year 88,64,962) Equity Shares of Rs. 10/- each fully paid up	1,274.85	1,274.85		
(ii)	<b><u>Preference Share capital</u></b>				
	41,50,000 (Previous Year 41,50,000), 10% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up	4,150.00	4,150.00		
		4,150.00	4,150.00		
		5,424.85	5,424.85		
<b>B. <u>Reconciliation of the numbers and amount of Equity Shares :</u></b>					
<b>(i) <u>Equity Shares</u></b>		31.03.2016	31.03.2015		
		Nos.	Amount (Rs./Lacs)	Nos.	Amount (Rs./Lacs)
	Outstanding at beginning of the year	12,748,457	1,274.85	8,864,962	886.50
	Add : Shares issued during the year	-	-	3,883,495	388.35
	Less : Shares bought back during the year	-	-	-	-
	Outstanding at the end of year	12,748,457	1,274.85	12,748,457	1,274.85
<b>(ii) 10% Cumulative Redeemable Preference Shares :</b>		31.03.2016	31.03.2015		
		Nos	Amount (Rs./Lacs)	Nos	Amount (Rs./Lacs)
	Outstanding at beginning of the year	4,150,000	4,150.00	4,150,000	4,150.00
	Add : Shares issued during the year	-	-	-	-
	Less : Shares bought back during the year	-	-	-	-
	Outstanding at the end of year	4,150,000	4,150.00	4,150,000	4,150.00
<b>(iii) 1% Cumulative Redeemable Preference Shares :</b>		31.03.2016	31.03.2015		
		Nos.	Amount (Rs./Lacs)	Nos.	Amount (Rs./Lacs)
	Outstanding at beginning of the year	-	-	4,000,000	4,000
	Add : Shares issued during the year	-	-	-	-
	Less : Shares converted into equity capital during the year	-	-	(4,000,000)	(4,000)
	Outstanding at the end of year	-	-	-	-



**C. Rights, preferences and restrictions attached to each class of Shares and terms of redemption :**

- i) The company has two classes of shares referred as equity shares and preference shares having a par value of Rs. 10/- each and par value of Rs. 100/- respectively. Each holder of equity shares is entitled to one vote per share, whereas in terms of Section 47(2) of the Companies Act, 2013 , the Preference Shareholders are entitled to vote on every resolution placed before the company in the General Meeting.
- ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of preferential amounts. The distribution will be in the proportion of the number of equity shares held by the shareholders.
- iii) 41,50,000 10% cumulative preference shares are redeemable at par in the year 2017-18. All these shares are subject to put and call option exercisable at the end of 3rd, 6th, 9th and 12th year of allotment. Dividend arrears on above cumulative preference shares as at 31.03.2016 are Rs. 5578.47 Lacs.
- iv) Capital Redemption Reserve for redemption of Preference Shares could not be created during the year because of unavailability of surplus.

D. The company itself being ultimate holding company, therefore disclosure requirements about its parent company are not applicable in the present case.

**E. Shareholders holding more than 5% shares -**

**i) Equity Shares**

Name of Shareholder	As at 31-03-2016		As at 31-03-2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ferry Holdings Limited	1,162,162	9.12	1,162,162	9.12
Jetty Capital Limited	1,150,000	9.02	1,150,000	9.02
Solace Investment & Financial Services Private Limited	1,146,196	8.99	1,146,196	8.99
Northern Projects Limited*	970,000	7.61	970,000	7.61
Seed Securities & services Private Limited	645,311	5.06	645,311	5.06
Solitary Investment & Financial Services Private Limited	645,243	5.06	645,243	5.06

\*The ownership in equity shares held by Northern Projects Limited is in dispute & the matter is pending adjudication. The court has restrained the present owner of these shares from transferring, alienating, encumbering or otherwise dealing with or parting with the possession of the shares held by it till the disposal of the suit.

ii) **Preference Shares**

a) 41,50,000, 10% Cumulative Redeemable Shares -

Name of Shareholder	As at 31-03-2016		As at 31-03-2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Brook Investment & Financial Services Pvt. Ltd.	350,000	8.43	350,000	8.43
Concept Credit & Consultants Pvt. Ltd.	350,000	8.43	350,000	8.43
Epitome Holdings Pvt. Ltd.	400,000	9.64	400,000	9.64
Liquid Holdings Pvt. Ltd.	400,470	9.65	400,470	9.65
Mid-Med Financial Services Pvt. Ltd.	399,600	9.63	399,600	9.63
React Investment & Financial Services Pvt. Ltd.	400,000	9.64	400,000	9.64
Scope Credit & Financial Services Pvt. Ltd.	400,000	9.64	400,000	9.64
Solace Investment & Financial Services Pvt. Ltd.	350,000	8.43	350,000	8.43
Solitary Investment & Financial Services Pvt. Ltd.	350,000	8.43	350,000	8.43
Square Investment & Financial Services Pvt. Ltd.	400,000	9.64	400,000	9.64
Seed Securities & Services Pvt. Ltd.	349,930	8.43	349,930	8.43

F. There is no call unpaid as on 31.03.2016.

G. No shares have been forfeited by the company during the year.

(Rs. in lacs)

	As at 31.03.2016	As at 31.03.2015
<b>3. <u>RESERVES &amp; SURPLUS</u></b>		
General Reserve	1,610.88	1,926.68
Less: Depreciation on assets whose useful life is already exhausted	–	(315.80)
Less: Provision for taxation of earlier years (Refer Note 19 (i))	(61.17)	–
	<b>1,549.71</b>	<b>1,610.88</b>
Securities Premium Account	8,279.80	8,279.80
Surplus/(Deficit) -		
Opening balance	(4,553.08)	(2,572.70)
Profit/(Loss) for the year	502.57	(1,980.38)
Closing balance	<b>(4,050.51)</b>	<b>(4,553.08)</b>
	<b>5,779.00</b>	<b>5,337.60</b>



#### 4. MINORITY INTEREST

Share capital	8,500.00	8,500.00
Share in profit/(loss)	(21.21)	(21.21)
	<u>8,478.79</u>	<u>8,478.79</u>

#### 5. LONG TERM BORROWINGS

Term Loans From Banks	2.32	4.65
	<u>2.32</u>	<u>4.65</u>

- (i) Term loans from banks represents vehicle loans, repayable on monthly basis, are secured by way of hypothecation of specific assets purchased under the hire purchase scheme.

<b>Year of Repayment</b>	<b>2017-18</b>
Annual Repayment Amount (Rs./Lacs)	2.32
Annual Rate of Interest	10 -12.50%

- (ii) Current portion of term loan from banks payable in 12 months is shown as "Current maturities of term loan from banks" under the head "Other Current Liabilities". (Refer note no.10(viii))

- (iii) Amounts due to Non Convertible Debenture Holders & Financial Institution providing term loans are disclosed under Current Liabilities as the same have been recalled.

#### 6. OTHER LONG TERM LIABILITIES

Earnest Money received from business associates & Others	50.00	50.00
Sundry Creditors for Capital Expenses	48.64	48.66
	<u>98.64</u>	<u>98.66</u>

#### 7. LONG TERM PROVISIONS

-Gratuity (unfunded)	93.83	95.57
-Leave Encashment (Unfunded)	54.75	37.80
-Other Payables	–	31.06
	<u>148.58</u>	<u>164.43</u>

#### 8. SHORT TERM BORROWINGS

Secured Loan		
Working capital loans from banks including interest thereon*	1,018.84	895.87
	<u>1,018.84</u>	<u>895.87</u>

Working Capital loans from banks are secured by way of a hypothecation of stock in trade comprising of raw materials, semi finished goods, finished goods, stores, book debts and other current assets of the company. Additionally it is also secured by way of second charge on the fixed assets of the company. During the year an amount of Rs 852.05 Lacs is paid by Secured Lender IFCI Limited to the working capital lender bank out of the alleged sale proceeds of the secure assets and the same is disputed and not acknowledged by the Company pending adjudication of its litigation with the Secured Lender IFCI Limited . (Refer Note No. 10(B))

**9. TRADEPAYABLES**

Total outstanding dues of micro enterprises and small enterprises	–	–
Total outstanding dues other than of micro enterprises and small enterprises	<b>721.01</b>	<b>1,348.77</b>
	<b>721.01</b>	<b>1,348.77</b>

The company has identified micro & small enterprises on the basis of information available with the company. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

**10. OTHER CURRENT LIABILITIES**

i Current maturities of Non Convertible Debentures (Refer Note 10 (A)(b))	<b>10,000.00</b>	10,000.00
ii Interest accrued on debentures (Refer Note 10 (A)(b))	<b>5,737.13</b>	5,737.13
iii Premium on Redemption of Debentures (Refer Note 10 (A)(b))	<b>2,800.00</b>	2,800.00
iv Current maturities of term loans from financial institutions (Refer Note 10 (B))	<b>11,368.91</b>	11,368.91
v Interest accrued and due on term loans from financial institutions (Refer Note 10 (B))	<b>1,967.85</b>	319.36
vi Payable to Delhi International Airport Pvt. Ltd. (DIAL) for hotel land (Refer Note 10 (D))	<b>7,650.19</b>	6,124.19
vii Provision of Interest to DIAL (Refer Note 10 (E))	<b>3,484.66</b>	3,484.66
viii Current maturities of term loan from banks	<b>2.32</b>	9.73
ix Advance received from customers	<b>434.54</b>	658.91
x Payable for capital expenditures	<b>429.94</b>	620.86
xi Construction linked receipts for commercial space in the hotel	<b>9,355.33</b>	7,206.25
xii <u>Statutory dues</u>		
- Tax deducted at source (TDS)	<b>62.06</b>	35.30
- Income Tax	<b>75.04</b>	75.04
- Indirect Taxes	<b>185.52</b>	168.73
- Other Fees	<b>360.34</b>	257.61
Employee benefits payable -		
-Salaries & benefits	<b>174.92</b>	163.54
-Provident fund /ESI	<b>16.34</b>	17.69
-Bonus & incentives	<b>61.30</b>	57.34
xiii Provisions for Expenses Payable	<b>489.03</b>	414.84
	<b>54,655.42</b>	<b>49,520.09</b>





**(A) Current Maturities of Non Convertible Debentures**

- (a) Non Convertible Debentures together with interest, redemption premium etc. are secured by first charge over the immovable property included in the land appearing in the schedule of fixed assets and second charge on Company's immovable properties located at 263C, Arossim, Cansaulim, Goa, both present and future and the charges of the Debenture holders shall be subject/subsequent to the existing charges of term loan lender IFCI Limited and lenders of working capital limits. The Company has pledged 10,00,00,000 number of equity shares of Silver Resort Hotel India Private Limited (a subsidiary of the company) held by the company.
- (b) The Company is contesting the suit filed by the Debenture holder against its alleged pre-mature recall / redemption of Debentures, disputed / default interest & redemption premium thereon and non-fulfilment of its other obligations which is pending adjudication. In view of the litigation, the Debenture Redemption Reserve is not created. (Refer Note 26(b))

**(B) Current Maturities of Term Loans from financial institutions**

The secured lender IFCI Limited had initiated the recovery proceedings and allegedly auctioned the hotel property under the provisions of the SARFAESI Act which was contested by the Company at Hon'ble High Court of Bombay. By the Judgement dated 23.3.2016, the Hon'ble Bombay High Court quashed and set aside the alleged auction sale of property and directed secured lender IFCI Limited to refund the sale consideration to auction purchaser ITC Limited. subsequently ITC Ltd & IFCI Ltd have approached the Hon'ble Supreme Court against the Bombay High Court judgement whereupon the grant of stay against the order was not accepted. however, it ordered that 'Status Quo' as on 22nd April, 2016 be maintained and further ordered that the amounts paid by ITC Limited in the auction purchase shall remain with the IFCI Ltd until further orders. The Hotel property continues to be operated under the brand "Park Hyatt Goa Resort & Spa" & maintained under management agreement with Hyatt International.

**(C) Detail of Continuing Default in payment of long term borrowings is as under:-**

Particulars	Principal ( in Lacs)	Interest ( in Lacs)	Period of default
Term Loan from financial institutions	11,368.91	–	up to 4 Years
Term Loan from financial institutions	–	1,967.85	up to 2 Year
Debentures	10,000.00	–	up to 3 Years
Debentures - Interest	–	5,737.13	up to 5 Years
Premium on redemption of debentures	–	2,800.00	up to 3 Years
	<u>21,368.91</u>	<u>10,504.98</u>	

**(D) Payable to Delhi International Airport Pvt. Ltd. (DIAL) for hotel project land**

"The company has invoked an arbitration to settle the alleged termination notice terminating the Development Agreement & Infrastructure Development & Services Agreement, disputed amounts in respect of licence Fee, advance Development cost & interest thereon due to plot being not available for an immediate development, security concerns, pending pre-construction approvals etc. The company has deposited a sum of Rs 550 Lacs with the Hon'ble High Court of Delhi to demonstrate its bonafide against the alleged demand of Rs 61,26,71,384/- stated

in the termination letter by DIAL . The Hon'ble High Court ordered that DIAL should refrain from taking any further precipitate action. subsequently, the matter was referred to the Arbitral Tribunal with directions that interim order shall continue till otherwise varied by the Arbitral Tribunal. During the year, the company has also received a statutory notice from DIAL requiring it to pay the dues towards licence fees, advance development cost & interest thereon which is being disputed by the company. The arbitration proceedings are pending adjudication. Further, DIAL has filed a Petition for the winding up of the Company before High Court of Bombay at Goa The case is pending adjudication.

(E) The claim for interest by DIAL is disputed by the company and in view of the pending litigation, the company has not provided for the interest during the year.

(F) Other fees represents fees ,stamp duty & additional fee payable to Ministry of Corporate Affairs.

11. SHORT TERM PROVISIONS

Provision for Income Tax (MAT)	102.73	–
Provision for Taxation of earlier years	61.17	–
Provision for Employees' benefits : -		
-Gratuity (unfunded)	12.19	7.54
-Leave Encashment (Unfunded)	10.53	11.45
	<u>186.62</u>	<u>18.99</u>



**Capital work-in -progress includes-**

	<b>01.04.2015</b>	<b>Additions During the year</b>	<b>Transfer</b>	<b>31.03.2016</b>
Administration Expenses	206.60	12.89	–	219.49
Project Consultancy Fees	1,269.42	12.85	-	1,282.27
Site Development	1,645.55	8.72	-	1,654.27
Finance Charges	1,043.96	(145.48)	-	898.48
Legal & Professional Fees	188.82	224.43	-	413.25
Salary & wages	380.28	74.12	-	454.40
Building under construction	1,231.19	505.23	-	1,736.42
Capital projects at Goa	1,166.96	220.50	1,341.26	46.20
<b>Closing Balance</b>	<b>7,132.79</b>	<b>913.26</b>	<b>1,341.26</b>	<b>6,704.79</b>



	(Rs. in Lacs)	
	As at 31.03.2016	As at 31.03.2015
<b>13 NON- CURRENT INVESTMENTS</b>		
<b>A. Trade Investments (At Cost)</b>		
(a) Unquoted		
<u>Associate Company</u>		
15600 (P.Y.15600) Equity Shares of Rs.10/- each fully paid up of Joy Hotel & Resorts Pvt. Ltd.		
- As Associate	1.56	1.56
- As Goodwill	4,273.44	4273.44
	<u>4,275.00</u>	<u>4275.00</u>
<b>B. Other Investments (At Cost)</b>		
(b) Quoted		
1250 (P.Y.1250) Equity Shares of Rs. 10/- each fully paid-up of ICICI Limited	1.22	1.22
(Market value of quoted investment is Rs. 15.56 lacs (P.Y. Rs.13.07 lacs))		
(a) Unquoted		
4020 (P.Y. 4020) Equity Shares of Rs.50/- each fully paid up of Domvibli Nagari Sehkari Bank Ltd.	2.01	2.01
	<u>3.23</u>	<u>3.23</u>
<b>Total (A+B)</b>	<u>4,278.23</u>	<u>4,278.23</u>
Aggregate amount of quoted investment	1.22	1.22
Aggregate amount of unquoted investment	4,277.01	4,277.01
(i) All 15,600 equity share of Rs. 10/- each fully paid up of associate company Joy Hotel & Resorts (P) Limited are pledged with term lenders of the associate company for securing the term loans, interest on loans and all other related moneys payable as availed by the associate company for its upcoming five star hotel project at Chandigarh.		
<b>14. LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Capital Advances	446.46	460.61
Site Development Advances	16.54	—
Security Deposits	101.65	83.22
	<u>564.65</u>	<u>543.83</u>
<b>15. CURRENT INVESTMENT</b>		
<b>Investments in Mutual Funds</b>		
<b>Non Trade Investments</b>		
<u>Quoted</u>		
43.007 Units (PY - Nil) of Birla Sun Life Cash Plus	0.10	—
(Market value Rs. 242.77 per unit)		
4.828 Units (PY - Nil) of DSP Black Rock Mutual Fund Collection Account	0.10	—
(Market value Rs. 2,162.16 per unit)		

(Rs. in Lacs)

	As at 31.03.2016	As at 31.03.2015
21.959 Units (PY - Nil) of Franklin Templeton MF High Value Collection Account (Market value Rs. 2,289.48 per unit)	0.10	—
3.306 Units (PY - Nil) of HDFC Cash Management Fund-Savings Plan-Growth (Market value Rs. 3,154.79 per unit)	0.10	—
46.640 Units (PY - Nil) of ICICI Prudential Liquid - Regular Plan - Growth (Market value Rs. 223.85 per unit)	0.10	—
3.4019 Units (PY - Nil) of Kotak Liquid Scheme Plan A - Growth (Market value Rs. 3,106.36 per unit)	0.10	—
2.833 Units (PY - Nil) of Reliance Liquid Fund - Treasury Plan - Growth (Market value Rs. 3,685.50 per unit)	0.10	—
21.959 Units (PY - Nil) of SBI Premier Liquid Fund - Regular Plan - Growth (Market value Rs. 2,376.08 per unit)	0.50	—
3.743 Units (PY - Nil) of Tata Liquid Fund - Regular Plan - Growth (Market value Rs. 2,789.43 per unit)	0.10	—
28,736.384 Units (PY - Nil) of UTI Liquid - Cash Plan- Institutional - Growth (Market value Rs. 2,476.65 per unit)	700.01	—
	<u>701.31</u>	<u>—</u>
Aggregate value of quoted investment Investments are stated at cost of acquisition.	713.45	—
<b>16. <u>INVENTORIES</u></b> (At cost or Net Realizable Value whichever is lower)		
Stores and Operating supplies	1,190.79	1,498.36
Provisions & Beverages	27.17	36.33
Wine & Liquor	119.63	118.70
	<u>1,337.59</u>	<u>1,653.39</u>
The inventory has been taken, valued and certified by the management.		
<b>17. <u>TRADE RECEIVABLES</u></b>		
Trade receivables outstanding for a period exceeding six months		
Unsecured -		
considered good	24.12	0.09
considered doubtful	0.60	—



	(Rs. in Lacs)	
	As at 31.03.2016	As at 31.03.2015
Less : Allowance for doubtful debts	(0.60)	—
	24.12	0.09
Other Debts		
Unsecured - considered good	548.28	648.55
	572.40	648.64
<b>18. <u>CASH AND CASH EQUIVALENTS</u></b>		
Balances with banks		
i) Current Accounts	122.38	452.68
ii) Bank Balances held as -		
- Fixed Deposit against Margin money	7.78	9.58
Cash in hand	20.20	9.41
	150.36	471.67
<b>19. <u>SHORT TERM LOANS AND ADVANCES</u></b>		
(Unsecured, considered good)		
Amount deposited with High Court of Delhi towards Delhi Hotel Project land	550.00	—
Balance with Revenue Authorities (Refer Note 19(i))	1,148.79	865.46
Input on Service Tax (Refer Note 19(ii))	550.45	547.70
Advances with Suppliers & Others	717.57	683.13
Capital Advances	2,250.00	—
Loans & advances to employees	20.53	8.56
	5,237.34	2,104.85
(i) Balance with revenue authorities includes tax deducted at source of earlier years which has been adjusted against the demand raised by the department, pending reconciliation, a provision of Rs 61.17 Lacs is made out of General Reserves.		
(ii) Input on Service Tax represents credit available against output services on commencement of commercial operations and subject to compliance with Cenvat Credit Rules, 2004.		
(iii) The amount represents paid to the co-developer for improvement of existing room inventory, development of additional rooms/ villa for increasing the room inventory within the boundary of the hotel.		
<b>20. <u>OTHER CURRENT ASSETS</u></b>		
Interest on fixed deposits accrued but not due	0.95	0.60
	0.95	0.60
<b>21. <u>CONTINGENT LIABILITIES AND COMMITMENTS</u></b>		
<b><u>(TO THE EXTENT NOT PROVIDED FOR)</u></b>		
a) <b>Contingent Liabilities</b>		
<b>Guarantees</b>		
- For securing loans of upcoming hotel project at Chandigarh related to associate company ( Refer Note 21(i))	6,500.00	6,500.00



	(Rs. in Lacs)	
	As at	As at
	31.03.2016	31.03.2015
- For operation of the company	17.12	17.12
<b>b) Commitments</b>		
- Estimated amount of contracts remaining to be executed on capital account	9,821.34	9,791.66
<b>c) Other money for which company is contingently liable</b>		
- Disputed Claim for buy-back of equity share capital with return on investment in subsidiary company Silver Resort Hotel India Private Limited. ( Refer Note 21(iii))	8,500.00	8,500.00
- On account of booking of commercial space in the Hotel by Co-developer	19,398.52	19,398.52
- Assured Return to Unit holders - Refer Note (21(ii))	4,964.91	4,964.91
- Disputed Claim for non performance of obligations by Subsidiary Company Golden Joy Hotel (P) Limited ( Refer Note 21 (v))	1,031.18	776.25
Claim for reimbursement of expenses	354.60	354.60
- Dividend on cumulative preference shares 10% cumulative redeemable preference shares (12 years dividend)	5,578.47	5,163.47
- Income Tax Matters	1.16	45.79
- Show Cause Notice from Service Tax Department	2,112.22	2,112.22
- Delhi International Airport Private Limited for Interest (Refer Note 10 (D))	1,511.57	-
	<u>59,791.09</u>	<u>57,624.54</u>
(i) The lenders to whom guarantee is given for securing term loans of associate company Joy Hotel & Resorts Private Limited have initiated recovery proceedings against the associate company under SARFAESI Act, 2002. The lenders are fully secured against the primary security i.e. mortgage of project land & building thereon. The associate company has also challenged the alleged illegal resumption of the project site by the Lessor due to non-fulfilment of the terms of the change of land use from industrial to commercial use. Both the matters are pending adjudication.		
(ii) The co-developer has filed a scheme u/s 391 of the Companies Act 1956 with the High Court of Himachal Pradesh, Shimla to settle the claims of the unit holders of the commercial space within the hotel. The matter is pending adjudication. In view of this, the claim for the assured return of the unit holders is disputed by the company and no provision is made thereunder and the claims, if any, will be settled by the co-developer.		
(iii) The financial institution from which the company has taken term loan has also invested in the equity share capital of the subsidiary of the company Silver Resort Hotel India (P) Limited (setting up a five star hotel project near International Airport, Delhi) to the tune of Rs. 8500.00 Lacs. The company has executed Buy-back agreements on joint & several basis with the erstwhile directors. Till the buy back of entire equity is completed, IFCI Limited has an first charge basis on "Park Hyatt Goa Resort & Spa" Hotel property of the company situated at 263C, Arrossim, Cansaulim, Goa. Exercising the above right, the institution had called upon the company to honour buy back obligation in respect of equity contribution of Rs 8500 Lacs alongwith simple assured return on the investment @ 23% per annum (disputed) w.e.f. date of agreement dated 12.03.2010. The recall / claim will be contested due to non-fulfilment of the obligations undertaken by the financial institution.		



	(Rs. in Lacs)	
	As at 31.03.2016	As at 31.03.2015
(iv) The Company Silver Resort Hotel India Private Limited has received a show cause notice for the booking of the commercial space within the hotel by the co-developer and if any, claim will be recoverable from the respective unit holders by the co-developer.		
(v) Disputed Claim for non performance of obligations to Punjab Urban Development Authority (PUDA) of Rs 1031.18 Lacs ( Previous year Rs 776.25 Lacs) pertains to Subsidiary Company Golden Joy Hotel (P) Limited. The Company was a bidder for the project and had given a Bank Guarantee of Rs 500 Lacs ( Previous Year Rs 500 Lacs) which has since expired and the claim will be contested by the Company for non-fulfillment of the obligations undertaken by PUDA under the Agreements.		
<b>22. <u>REVENUE FROM OPERATIONS</u></b>		
Room Income	7,592.71	6,890.91
Provisions & Beverages	2,270.61	2,016.57
Wine and liquor	1,020.13	1,024.82
Communications	2.49	4.08
Others	657.84	729.61
	<u>11,543.78</u>	<u>10,665.99</u>
<b>23. <u>OTHER INCOME</u></b>		
Interest Income	0.77	6.22
Dividend received on non-trade investments	0.66	0.75
Miscellaneous Income	59.97	92.47
	<u>61.40</u>	<u>99.44</u>
<b>24. <u>COST OF MATERIALS, STORES &amp; SUPPLIES</u></b>		
(a) Stores & Operating supplies		
Opening Stock	1,498.37	1,455.55
Add : Purchases	406.46	668.65
	<u>1,904.83</u>	<u>2,124.20</u>
Less: Closing Stock	1,190.79	1,498.36
	<u>714.04</u>	<u>625.84</u>
(b) Provisions & Beverages		
Opening Stock	36.33	45.19
Add : Purchases	817.61	703.45
	<u>853.94</u>	<u>748.64</u>
Less: Closing Stock	27.17	36.33
	<u>826.77</u>	<u>712.31</u>
(c) Wine & Liquor		
Opening Stock	118.70	122.34
Add : Purchases	145.62	290.31
	<u>264.32</u>	<u>412.65</u>
Less: Closing Stock	119.63	118.70
	<u>144.69</u>	<u>293.95</u>
Total (a+b+c)	<u>1,685.50</u>	<u>1,632.10</u>

(Rs. in Lacs)

	As at 31.03.2016	As at 31.03.2015
<b>25. <u>EMPLOYEE BENEFITS EXPENSE</u></b>		
Salaries and Wages	1,797.60	1,724.63
Gratuity & Leave Encashment	63.04	63.35
Contribution to provident fund and ESI	114.45	95.27
Staff Welfare	402.65	383.19
	<u>2,377.74</u>	<u>2,266.45</u>
<b>26. <u>FINANCE COST</u></b>		
<u>Finance Cost on operations</u>		
Interest	632.04	728.86
Bank charges	47.03	29.81
<u>Finance Cost on Investments</u>		
Interest	1160.00	3,089.48
Premium on redemption of debentures	—	247.01
	<u>1839.07</u>	<u>4,095.16</u>
(a) Finance cost on Investments is incurred on investments in companies/ SPV engaged in hotel business.		
(b) No provision for interest or any other charges has been made during the year on debentures pending litigation and recovery proceedings (Refer Note 10(A)). Further, Interest is provided at simple contracted rate of interest on term loan from financial institution in view of the initiation of recovery proceeding and pending litigation, subject to order of the court. (Refer Note 10(B))		
<b>27. <u>OTHER EXPENSES</u></b>		
Telephone	26.01	26.72
Power & Fuel	728.18	801.06
Rent	51.74	59.29
Repairs to buildings	73.06	49.60
Repairs to machinery	571.75	424.27
Insurance	44.10	27.58
Rates and Taxes	5.45	5.51
Legal and Professional Expenses	665.32	505.71
Travelling Expenses	150.63	169.48
Selling and Advertisement Expenses	915.33	816.83
Management fees	775.57	673.76
Printing & Stationery	50.07	47.92
Loss on sale of Fixed Assets	0.06	8.77
Miscellaneous Expenses	537.84	616.45
	<u>4,595.11</u>	<u>4,232.95</u>



## 28. SEGMENT REPORTING

The Company's business activity falls within a single primary business segment i.e. hotel operations, hence the disclosure requirements of Accounting Standards (AS - 17) "Segment Reporting", issued by the Institute of Chartered Accountants of India are not applicable.

## 29. DEFERRED TAX LIABILITY/ (ASSETS)

As required by Accounting Standard - 22 "Accounting for taxes on income" issued by Institute of Chartered Accountants of India, deferred tax asset on losses for the year has not been created as a matter of prudence.

30. In the opinion of management, there is no impairment condition exists as on 31st March, 2015. Hence no provision is required in the accounts for the current period ending.

## 31. RELATED PARTY DISCLOSURES

Disclosure as required by the accounting standard "Related Party Disclosures" (AS-18) issued by the Institute of Chartered Accountants of India are given here under :

a. Related Parties		Name	
i.	Associate Company	Joy Hotel and Resorts Private Limited	
ii.	Key Management Personnel	Mr. Sushil Suri - Chairman & Managing Director	
		Mr. Dilip Bhagtani - Chief Financial Officer	
		Mr. Shivam Kumar - Company Secretary	
iii.	Entities over which key management personnel/ relatives of key management personnel are able to exercise significant influence with which the Company has transactions during the period	Blue Coast Infrastructure Development Private Limited (Refer Note 19 (iii))	
b. Transaction with Related parties		Nature of transaction	Amount (Rs/Lacs)
i.	Associate Company	Nil	–
ii.	Key Management Personnel	Remuneration / Perquisites	71.62
		Closing balance as on 31.03.2016 (Payable) / Recoverable	(5.96)
		Maximum balance outstanding during the year	(5.96)
iii.	Entities over which key management personnel/ relatives of key management personnel are able to exercise significant influence with which the Company has transactions during the period.	Capital commitments	2,500.00
		Closing Balance as on 31.03.2016 (Payable) / Recoverable	2,250.00
		Maximum balance outstanding during the year (Payable) / Recoverable	2,250.00

**32. OTHERS SIGNIFICANT DISCLOSURES**

- a) In the opinion of directors, all the assets, except stated otherwise, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the books of accounts and the provision for depreciation and for all known liabilities is adequate and considered reasonable.
- b) Balances with parties, lenders & banks appearing under various heads are subject to confirmation.
- c) In view of the brought forward losses, the provision for income tax is made under the provisions of the Minimum Alternate Tax (MAT)
- d) During the year, in view of the pending litigations, the tax deduction at source is deferred & adjusted for the previous years under the respective party accounts till the settlement of the cases.
- e) Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout by making the suitable adjustment in the respective heads.
- f) Figures have been given in lacs.

# Blue Coast

Hotels Ltd.

**Regd. Office:** 263C, Arossim, Cansaulim, Goa 403712,

**CIN:** L31200GA1992PLC003109;

**Website:** www.bluecoast.in; **E-mail Id:** investorrelation@bluecoast.in;

**Tel. No.:** +91 8322721234, **Fax:** +91 8322721235

## Form No. MGT-11 PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name of the Member (s): .....
Registered address:.....
E-mail Id: ..... Folio No./DP ID & Client ID:.....

I/We, being the member (s) of .....holding.....shares of the above named company,  
hereby appoint

- 1) Name: ..... E-mail Id: .....  
Address: .....  
..... Signature:  or failing him/her
- 2) Name: ..... E-mail Id: .....  
Address: .....  
..... Signature:  or failing him/her

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held  
at the Registered Office of the Company at 263C, Arossim, Cansaulim, Goa 403712 and at any adjournment thereof in respect of such  
resolutions as are indicated below :

Res. No.	Description	For*	Against*
1.	Adoption of Annual Accounts and Reports thereon for the Financial Year ended as on 31st March 2016		
2.	To appoint a Director in place of Mr. Kushal Suri, Director, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment		
3.	Ratification of Appointment of M/s M. Kamal Mahajan & Co., Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.		
4	Appointment of Ms. Seema Joshi (DIN:06946689) as Independent Director of the Company		
5	Appointment of Mr. Madan Gopal Khanna (DIN:00330460) as Independent Director of the Company		
6	Approval of Related Party Contract		

Signed this ..... day of ..... 2016.

Signature of Shareholder: .....

### **NOTES:**

- 1) Please put an 'X' in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 2) Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in the aggregate not more than ten percent (10%) of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent (10%), of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.
- 3) This form of Proxy in order to be effective should be duly completed, stamped, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

Affix  
Revenue  
Stamp



**Regd. Office:** 263C, Arossim, Cansaulim, Goa 403712

**CIN:** L31200GA1992PLC003109;

**Website:** www.bluecoast.in; **E-mail Id:** investorrelation@bluecoast.in;

**Tel. No.:** +91 8322721234, **Fax:** +91 8322721235

### ATTENDANCE SLIP

(To be handed over at the entrance of the meeting venue)

Name and address of the registered member	:
Folio No./DP ID No./Client ID No.	:
No. of Shares	:

I hereby record my presence at the 23rd Annual General Meeting of the Company to be held at 263C, Arossim Cansaulim, Goa-403712, India on Thursday 29th September 2016 at 11:00 a.m.

Signature of the Member/Joint Member/Proxy attending the meeting

Electronic Voting Event Number (EVEN)	User ID	Password

#### NOTES:

Person attending the Meeting is requested to bring this Attendance Slip and Annual Report with him/her. Duplicate Attendance Slip and Annual Report will not be issued at the Annual General Meeting.





**Regd. Office:** 263C, Arossim, Cansaulim, Goa 403712

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### E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

You are aware that majority of the provisions of Companies Act, 2013 have been made effective from 1st April 2014. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder, Companies can serve Annual Reports, Notices and other communications through electronic mode to those shareholders who have registered their email address either with the Company/RTA or with the Depository.

It is a welcome move that would benefit the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This provides a golden opportunity to every shareholder of Blue Coast Hotels Limited to contribute to the cause of 'Green Initiative' by giving their consent to receive various communications from the Company through electronic mode.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode. You can also download the appended registration form from the website of the Company **www.bluecoast.in**

[Please note that as a Member of the Company, you will be entitled to receive all such communication in physical form, upon request.]

Best Regards,

Sd/-

**Sushil Suri**

**Chairman & Managing Director**

**DIN 00012028**

### E-COMMUNICATION REGISTRATION FORM

Folio No. /DP ID & Client ID: .....

Name of the 1<sup>st</sup> Registered Holder: .....

Name of the Joint Holder[s]: (1)..... (2).....

Registered Address: .....

.....

E-mail ID (to be registered): ..... M o b . / T e l . N o . :

.....

I/We shareholder(s) of Blue Coast Hotels Limited hereby agree to receive communications from the Company in electronic mode. Please register my above E-mail ID in your records for sending communications in electronic form.

Date: .....

Signature: .....

**Note:** Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

## Route Map to the AGM Venue



### TRANSPORTATION

FROM	DISTANCE	TIME	BY
Dabolim Airport	15 km	15 mins	Car
Margao Railway Station	18 km	25 mins	Car
Vasco Railway Station	18 km	25 mins	Car







# Blue Coast

Hotels Ltd.

Corp. Office : 415 – 417, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi - 110 001  
Tel.: +91- 23358774-775 Fax : +91-11- 23358776

Regd. Office : 263C, Arossim, Cansaulim, Goa – 403712 INDIA Tel.: + 91-832-2721234 Fax : +91-832-2721235