

Date: 29/09/2017

To,
THE MANAGER- LISTING,
BOMBAY STOCK EXCHANGE LIMITED
MUMBAI
Symbol: 531495

To,
THE MANAGER- LISTING,
NATIONAL STOCK EXCHANGE LIMITED
MUMBAI
Symbol: BLUECOAST

Subject: Submission of Annual Report for the financial year 2016-17


Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, please find attached a copy of the Annual Report for the financial year 2016-17 of Blue Coast Hotels Limited.

Kindly acknowledge the receipt and take it on record.

Thanking you.

For Blue Coast Hotels Limited


(Shivam Kumar)
Company Secretary

Encl: As above



Blue Coast Hotels Ltd.

415-417, Antriksh Bhawan, 22, K.G. Marg, New Delhi-110 001 | Tel.: +91 11 23358774-75 | E-mail : info@bluecoast.in | www.bluecoast.in
Regd. Office : 263C, Arossim, Cansaulim, Goa-403712, India, Tel.:+91 832 2721234 | CIN No.: L31200GA1992PLC003109

The Spirit of India™

PARK HYATT GOA®

RESORT AND SPA

Annual Report 2016-17

Blue Coast
Hotels Ltd.



Blue Coast
Hotels Ltd.





Celebrating the spirit of India

India's myriad mythical charms and its enduring contemporary appeal draws travelers from far and wide - from soul searching to exotic getaways and everything in between, India is a unique treasure trove for anyone on a voyage of discovery. Heritage, culture, colours, experiences and emotions form the rich motifs of a fabric that's woven together with the spirit of vibrant hospitality.

At Blue Coast Hotels Ltd. we take pride in showcasing the various dimensions of gracious, legendary hospitality that this ancient land has to offer. Our Port Hyatt Goa, Resort & Spa continues to define and redefine the essence of hospitality by unfolding unforgettable experiences in the realm of world-class luxury even as it brings alive the marvelous magic and romance of Goa in an exclusive sanctuary that's secluded, iconic, sophisticated, sensory, scintillating and sensational - all at the same time, even as it celebrates the spirit of India.

PARK HYATT GOA®

RESORT AND SPA



PARK HYATT GOA, Resort & Spa

Epitome of luxury and gracious service

As one of the best 5-star luxury beach resorts in Goa, Park Hyatt Goa showcases understated luxury and gracious service while offering guests an experience that is distinctively inspiring. Its 45 acres of landscaped gardens, glimmering waterways and sparkling lagoons along with a charming Indo-Portuguese style ambience combines elegance with excellence and distinctive regional character.

Park Hyatt Goa is an exclusive Resort & Spa where rare and unexpected pleasures are woven seamlessly into each and every day and guests are invited to unlock unique, exciting and enriching moments. Guests are treated to an intimate hotel experience that celebrates fine hospitality, delicious food & beverage and truly personalized service while delivering opulence and prestige. An uncompromising attention to detail, exquisitely appointed rooms, signature restaurants and one of the most award winning spas in the subcontinent makes Park Hyatt Goa, Resort & Spa a luxury 'boutique' hotel perfectly tailored to those who expect nothing but the best.



Our pillar of strength

Time may fly but the wise words of our Shri P. L. Suri will forever remain the driving force at Blue Coast. As our Chairman & Managing Director, he was extraordinary leader who epitomized the ideologies of humility and righteousness while simultaneously demonstrating the virtues of teamwork and excellence.

At Blue Coast the memory of Shri P. L. Suri is truly reverentialeven today we continue to celebrate his towering presence amongst us as we relentlessly pursue our goals inspired by his strength, spirit and soulful aura that surrounds and guides us in all that we do.



Late Shri P. L. Suri



Late Shri Arun Suri

Our guiding light

Envisioning a world full of special experiences and lasting memories is one thing. Bringing it to pulsating life is another ... more so when the dream is as grand as the Park Hyatt, Goa - Resort & Spa.

To Shri Arun Suri, nothing was impossible. Behind an affable exterior was a hands-on leader so extraordinary and devoted that the desire to do and motivation to excel came naturally to his team. His enduring ability to bring out the best in his people saw the Resort & Spa, Goa set superlative benchmarks of excellence and perfection, exceeding the expectations of the guest and industry alike.

At Blue Coast, the inspiring aura of Shri Arun Suri remains in place even today as the Park Hyatt, Goa continues to celebrate the guest as King and re-invent luxury in a paradise that's India.





CONTENTS

| | |
|--|------------|
| <u>Notice</u> | 03 |
| <u>Directors' Report</u> | 08 |
| <u>Corporate Governance Report</u> | 51 |
| <u>Auditors' Report</u> | 71 |
| <u>Balance Sheet</u> | 79 |
| <u>Statement of Profit & Loss</u> | 80 |
| <u>Cash Flow Statement</u> | 81 |
| <u>Notes to Financial Statements</u> | 84 |
| <u>Auditors' Report on Consolidated Financial Statements</u> | 101 |
| <u>Consolidated Financial Statements</u> | 107 |
| <u>Proxy Form</u> | 130 |
| <u>Route Map to the AGM Venue</u> | 135 |



BOARD OF DIRECTORS

Mr. Sushil Suri,
Chairman & Managing Director
Mr. Kushal Suri,
Non-Executive 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

EXECUTIVES

Mr. Dilip Bhagatani
Chief Financial Officer

Mr. Shivam Kumar
Company Secretary

AUDITORS

M/s. M. Kamal Mahajan & Co. LLP
Chartered Accountants
Chandigarh

M/s. Dewan & Gulati
Chartered Accountants
Delhi

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 110020
Ph: 011-26387320-21-23
Fax: 011-26387322.

SECRETARIAL AUDITOR

Prem Chand Gool,
Company Secretary



Notice

NOTICE is hereby given that the **24th Annual General Meeting** of the members of **Blue Coast Hotels Limited** will be held on **Thursday 28th September 2017 at 10:00 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 2017 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 appoint the 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 Sections 139 and 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the proposal of the audit committee to the Board and on the recommendation of the Board, M/s. Dewan & Gulati, Chartered Accountants, New Delhi (Firm registration number: 003881-N) be and hereby appointed as the statutory auditors of the Company, to hold office for a period of five consecutive years from the conclusion of the Twenty Forth Annual General Meeting of the Company until the conclusion of the Twenty Ninth Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting, if required by law), at a remuneration that may be determined by the audit committee in consultation with the auditors.”

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

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

Place: New Delhi
Date: 11.08.2017

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 Thursday, 21st September, 2017 to Thursday, 28th September, 2017 (both days inclusive).
3. The relevant Explanatory Statement pursuant to Section 102 (1) of the Companies Act, in respect of the business Item No. 3 of the Notice, is annexed hereto.
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 24th Annual General Meeting and the Annual Report for 2017 will also be available on the Company's website www.bluecoast.in. The Notice of AGM shall also be available on the website of NSDL viz. 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 2016- 17 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 24th 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. Wednesday, 20th September, 2017 (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. Monday, 25th September 2017 and will end at 5:00 P.M. on Wednesday, 27th September 2017, both days inclusive.

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 with a copy marked to 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

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
- ii) The e-voting will commence at 9:00 A.M. Monday, 25th September 2017 and will end at 5:00 P.M. on Thursday, 27th September 2017, (both days inclusive) members 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 Wednesday, 20th September, 2017 (End of Day)
- iv) Mr. P.C. 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 and on the website of NSDL www.evoting.nsdl.com within two working days of the passing of the resolution at the 24th AGM of the Company on 28th September 2017 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**

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

Place: New Delhi
Date: 11.08.2017
CIN: L31200GA1992PLC003109
Regd. Office:
263C, Arossim,
Cansaulim, Goa-403712



DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their 24th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

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 along with previous year's figures are given hereunder:

(Rs. in Lakh)

| PARTICULARS | Consolidated | | Standalone | |
|--|--------------|-----------|------------|-----------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| Revenue from Operations | 13265.90 | 11543.78 | 13265.90 | 11543.78 |
| Expenses | (10926.17) | (8658.36) | (10925.58) | (8657.07) |
| Depreciation | (663.01) | (605.18) | (663.01) | (605.18) |
| Profit from Operations before Finance Cost & Tax | 1676.72 | 2280.24 | 1677.31 | 2281.53 |
| Other Income | 113.26 | 61.40 | 113.26 | 61.40 |
| Profit before Interest & Tax | 1789.98 | 2341.64 | 1780.57 | 2342.93 |
| Interest / Finance Charges-Operation | (649.49) | (679.07) | (649.49) | (679.07) |
| Operating Profit before Tax | 1140.49 | 1662.57 | 1131.08 | 1663.86 |
| Interest / Finance Charges - New Hotel Projects | (1805.00) | (1160.00) | (1805.00) | (1160.00) |
| Profit (Loss) before Tax | (664.51) | 502.57 | (663.92) | 503.86 |
| Tax Expense Prior Period | 61.17 | - | | |
| Profit (Loss) after Tax | (603.34) | 502.57 | (602.75) | 503.87 |
| Share of Minority interest in Profit/Loss | - | - | - | - |
| Net Profit/(Loss) for the Year available for majority shareholders | (603.34) | 502.57 | (602.75) | 503.87 |

OPERATIONS

The Revenue from Operations has registered a growth of 14.91% during the year as compared to the previous year however the profit before interest and tax has declined to Rs 1789.98 Lakh as compared to Rs. 2341.64 Lakh due to increase in cost of material consumed, pay-roll cost, travelling cost and legal & professional charges. , During the year, the company, continued to defend itself before the Hon'ble Supreme Court of India in respect of the Special Leave Petition filed by the Secured lender and alleged auction purchaser challenging the order of the Hon'ble High Court of Bombay which had set aside the alleged auction of the hotel property " Park Hyatt Goa Resort & Spa". In view of this, the interest on term loan from financial institution is provided at simple contracted rate of interest. The Company is also contesting the suit filed by the debenture holders against its alleged pre-mature recall / redemption of debentures, disputed / default interest & redemption premium thereon and non-fulfillment of its other obligations which is pending adjudication. In view of litigation, neither provision for interest or redemption premiums is made nor debenture redemption reserve is created. The Hotel property continues to be operated under the brand " Park Hyatt Goa Resort & Spa " and maintained under management agreement with Hyatt International. Your directors are pleased to inform you that Park Hyatt Goa Resort & Spa continues to be the best property of Goa and has won the following awards:-

| Year | Award | Title |
|------|--|---|
| 2017 | World Luxury Spa Awards 2016 | Sereno Spa – Best Destination Spa (#1) |
| 2017 | Conde Nast Traveller India Readers' Travel Awards 2017 | Winner of " Favourite Indian Leisure Hotel" |
| 2017 | Times Food Awards Goa, 2017 | Palms – Best Luxury Shack |
| 2017 | asiaSpa India Award 2016 | Sereno Spa – Most Luxurious Resort (#1) |
| 2017 | asiaSpa India Awards 2016 | Best Spa Marketing (#1) |
| 2016 | Times Food Awards Goa, 2016 | Palms – Best Luxury Shack and Da Luigi – Best Italian |
| 2016 | Conde Nast Traveller India Readers' Travel Awards 2016 | Favourite Indian Leisure Hotel (#1) |
| 2016 | World Luxury Hotel Awards 2016 | Official Country Winner - Luxury Wedding Destination (#1) |

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, 2017.

SHARE CAPITAL

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

However in pursuant to the authorisation granted in the Annual General Meeting dated 30th September 2002 and the



allotment made in the Board Meeting dated 30th October 2002, the Company had issued 41,50,000 10% Cumulative Redeemable Preference Shares of Rs. 100 each with the redemption period of 15 years. The Company has not paid the Dividend on the said Preference Shares since its allotment and these are due for redemption in October, 2017.

In the interest of the Company and in view of the improved business and ongoing litigations being faced by the Company, it is not desirable to redeem the said Preference Shares or pay any dividend thereof. Therefore, the Board in terms of Section 48 and 55 of the Companies Act, 2013 has approached the Preference Share holder to request them to consider the extension of the tenure of the Preference Shares by a further period of 15 years so that the same be due for redemption in October 2032. Since the provisions of section 48 of the Companies Act, 2013 provides that the rights attached to the shares of any class may be varied with the consent in writing of the holders of not less than three-fourths (3/4th) of the issued shares of that class or by means of a special resolution passed at a separate meeting of the holders of the issued shares of that class and if such variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths (3/4th) of such other class of shareholders shall also be obtained. Therefore, such variation in the terms and conditions associated with the preference shares is subject to approval of the equity shareholders of the Company. Your Company shall take appropriate steps to seek approval of both Preference Shareholders and Equity Shareholders by way of Postal Ballot/e-voting.

The shares issued by Company continued to be listed at following Stock Exchanges as at March 31, 2017:

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, Your Directors have not recommended any dividend for the Financial Year 2016-17.

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

The Board consists of 7 Directors comprising a Chairman and Managing Director, One Non-executive Director and five Independent Directors (including one-woman director).

Appropriate Resolution seeking your approval to the appointment/ re-appointment of Directors has been included in the Notice of the AGM.

Pursuant to the provisions of Section 152 of the 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 within stipulated time 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 03rd February, 2017, 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 has been followed this year as well. As on March 31, 2017, the Board consists of 7 Directors comprising a Chairman and Managing Director, One Non-executive Director and five Independent Directors (including one-woman director). 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 available on the website of the Company at 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 03rd February, 2017, 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 timelines 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.



DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to the Director's Responsibility Statement, it is hereby confirmed that:

- a) In the preparation of annual accounts for the Financial Year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors had 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 2016-17 and of the profit or loss of the Company for that period;
- c) The Directors had 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 Directors had prepared the annual accounts for the financial year ended on March 31, 2017, on a going concern basis;
- e) The Directors had 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MANAGERIAL REMMUNERATION 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 Companies Act, 2013 ('the Act') was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the

Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditors, M/s M. Kamal Mahajan & Co. LLP, Chartered Accountants (Firm registration number: 06855N) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 24th AGM.

The audit committee of the Company has on 11th August, 2017 proposed and the Board has recommended the appointment of M/s. Dewan & Gulati, Chartered Accountants (Firm registration number 003881-N) as the statutory auditors of the Company. M/s. Dewan & Gulati will hold office for a period of five consecutive years from the conclusion of the 24th Annual General Meeting of the Company till the conclusion of the 29th Annual General Meeting to be held in 2022. The first year of audit will be of the financial statements for the year ending March 31, 2018, which will include the audit of the quarterly financial statements for the year.

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 2016-17. The Report in Form MR-3 is enclosed as **Annexure- 'C'** to this Annual Report and there are no qualifications, reservations and remarks made by the Secretarial Auditor in this Report, if any are self-explanatory.

EXPLANATION TO SECRETARIAL AUDIT REPORT

- i) The company owned Park Hyatt Hotel located at Cansaulim, Goa. The said hotel was allegedly 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 quashed and set aside the alleged auction sale of the property and directed the secured lender IFCI Limited to refund the sale consideration to the alleged 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 agreement executed by Company with Hyatt for their brand "Park Hyatt Goa Resort & Spa"- The said comment is self-explanatory and does not require any explanation from the management except that the matter is listed before the Supreme Court on 22nd August 2017.
- ii) The Company is contesting the suit filed by the Debenture holder against its alleged pre-mature recall/ redemption of Debentures, disputes/ default interest & redemption premium thereon and non-fulfilment of its other obligations which is pending adjudication. – "- The said comment is self-explanatory and does not require any explanation from the management except that the matter has been referred to the Commercial courts in Goa

iii) INTERNAL AUDITOR

During the year under review, pursuant to Section 138 and other applicable provisions of the Companies Act



2013, M/s. S.S. Kothari Mehta & Co. (formerly known as M/s. KSMN & Company) has been re-appointed as the Internal Auditors for the Financial Year 2017-18.

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 Mrs. Seema Joshi* Mr. Madan Gopal Khanna | Chairman Member Member |

* Mrs. Seema Joshi has resigned from the Directorship on 15th July, 2017.

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 few financial years hence no amount shall be required to be spent on CSR for FY 2017-18.

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.

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.

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

- i. Note no. 9 (A) (b) and 25(b) to the financial statements regarding no provision for interest or any other charges has been made on debentures pending litigation and recovery proceedings since 1st April 2015. Further the interest on term loan from financial institution is provided at simple contracted rate of interest since 1st April 2015. – Reply as above in Secretarial Audit report.
- ii. 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 Judgment 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 judgment whereupon the grant of stay against the order was not accepted. The Hon'ble Supreme Court ordered '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. – Reply as above in Secretarial Audit Report.
- iii. In view of above, the 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 flow in future to meet its obligations including financial support to its subsidiary companies.

SUBSIDIARIES / JOINT VENTURES / ASSOCIATES

The Company has following Subsidiaries/ Associates as on March 31, 2017 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)

The Company has entered into a Joint Venture 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, 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 is available on the website of the Company at 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 K G 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 Financial 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 taken 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

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 quashed & 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 the 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 arbitration proceedings as invoked by the subsidiary Company, Silver Resort Hotel India Private Limited (SRHIPL) under Section 9 of The Arbitration and Conciliation Act, 1996 against Delhi International Airport Private Limited (DIAL) have been concluded and the award has been passed however the same has been withheld to be pronounced.

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 Policy is available on the website of the Company at 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'**.



NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND 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 2016-17:

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 has 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 has always been cordial and healthy.

As on March 31, 2017, there were 430 employees working for the Company across all levels at various locations.

AWARDS AND ACCOLADES

Park Hyatt Goa Resort and Spa received the following Awards during the year under review & Accolades:

| Year | Award | Title |
|-------------|--|--|
| 2017 | World Luxury Spa Awards 2016 | Sereno Spa – Best Destination Spa (#1) |
| 2017 | Conde Nast Traveller India Readers' Travel Awards 2017 | Winner of “ Favourite Indian Leisure Hotel” |
| 2017 | Times Food Awards Goa, 2017 | Palms – Best Luxury Shack |
| 2017 | asiaSpa India Award 2016 | Sereno Spa – Most Luxurious Resort (#1) |
| 2017 | asiaSpa India Awards 2016 | Best Spa Marketing (#1) |
| 2016 | Times Food Awards Goa, 2016 | Palms – Best Luxury Shack and Da Luigi – Best Italian |
| 2016 | Conde Nast Traveller India Readers' Travel Awards 2016 | Favourite Indian Leisure Hotel (#1) |
| 2016 | World Luxury Hotel Awards 2016 | Official Country Winner - Luxury Wedding Destination (#1) |

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO SUB SECTION (3) (M) OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE (8) (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

Information pursuant to of the Companies Act, 2013 read with Rule 8 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: 11.08.2017

**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****i. Remuneration paid to Directors& Key Managerial Personnel's (KMP's):**

| S. No. | Name of the Directors/KMP and Designation | Remuneration of Director/KMP for the Financial Year 2016-17 (Rs. In Lacs) | % increase in remuneration in the Financial Year 2016-17 | Ratio 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 | 0.40 | | |
| 4. | Mrs. Seema Joshi* Independent Director | 0.40 | - | - |
| 5. | Mr. Ashok Kini Independent Director | 0.30 | - | - |
| 6. | Mr. Praveen Kumar Dutt Independent Director | 0.30 | - | - |
| 7. | Mr. Vijay Mohan Kaul Independent Director | 0.30 | - | - |
| 8. | Mr. Dilip Bhagtani Chief Finance Officer | 54.00 | 20.00 | 23.50 |
| 9. | Mr. Shivam Kumar Company Secretary | 04.18 | 23.00 | 1.80 |

* Mrs. Seema Joshi has resigned from the Directorship on 15th July, 2017.

The median remuneration of employees of the Company during the Financial Year 2016-17 was INR 2,28,236.80 /-

- ii In the Financial year, there was an increase of 14.99% in the median remuneration of the employees;
- iii. The number of the permanent employee on the payrolls of the company as of March 31, 2017 and March 31, 2016 was 459 and 496 respectively.
- iv. Average percentage increase made in the salaries of the employee other than the managerial personnel in the last financial year i.e. 2016-17 was nil whereas the managerial remuneration for the same financial year was nil as managerial personnel not drawing any remuneration during the year.
- v. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for the Directors/KMPs/ Employees.

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 |
|----------------------|--|--|-----|--------------------|-------------------|-------------------------------|--|-------------------------------|
| Shobhit Sawhney | General Manager (Administration & General) | B.COM AND HOTEL MANAGEMENT | 38 | 17 | March 23 2016 | 81,84,227 | Hotel Manager Grand Hyatt Mumbai (From To) | Hotel Operations |
| Dilip Bhagtani | CFO | CA, LLB, MBA, IFRS, CS, IFRS, | 53 | 28 | Feb 2010 | 54,00,000 | Director Finance Duet India Hotels Pvt. Ltd. | Finance & Accounts |
| Francisco Canzano | Executive Chef | DIPLOMA IN CULINARY | 40 | 16 | October 10, 2016 | 39,90,443 | Executive Sous Chef Grand Hyatt Doha | Hotel Operations |
| Roopam Sud | Director Of Finance | CA, B.Com. | 42 | 15 | May 30, 2016 | 31,20,575 | Director Of Finance Hyatt Regency Delhi | Financial Operations |
| Chiranjib De | Director of Human Resources | B.Com, DSW PGDPM | 41 | 16 | October 06, 2014 | 30,81,388 | Personnel Manager (Hyatt Regency Kolkata) | Human Resources and Operation |
| Ashish Shome | Director of Operations | B.COM AND HOTEL MANAGEMENT | 48 | 27 | July, 15 2016 | 20,90,582 | Hyatt Regency Mumbai (Director of F&B) | Hotel Operations |
| Mallikarjun Kaggallu | Rooms Division Manager | HOTEL MANAGEMENT AND B.SC IN HOSPITALITY & TOURISM | 33 | 12 | January 13, 2014 | 20,75,067 | JW Marriott Bangalore | Hotel Operations |
| Pratiti Rajpal | Marketing Communication Manager | BBA, MBA IN SALES AND MARKETING & HR | 31 | 8 | November 21, 2014 | 20,36,797 | Hyatt Regency Chennai (Mar Com Manager) | Hotel Operations |
| Narinder Kaur Bhalla | Sr.Manager-Corporate | MBA IN SALES AND MARKETING, PGDHRM, MA (Pol.Science) | 37 | 16 | June 1, 2012 | 19,54,152 | Manager-Corporate, Morepen Labs Ltd. | Admin, Travel, Hospitality |
| Rakesh Ramola | Food & Beverage Manager | BA and National Apprenticeship | 38 | 16 | March 15, 2016 | 19,39,205 | Grand Hyatt Mumbai (Assistant F&B Manager) | Hotel Operations |



ANNEXURE - C
SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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, 2017 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, 2017 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:

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

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 allegedly 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 quashed and set aside the alleged auction sale of the property and directed the secured lender IFCI Limited to refund the sale consideration to the alleged 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 agreement executed by Company with Hyatt for their "Park Hyatt Goa Resort & Spa".



2. The Company is contesting the suit filed by the debenture holders against its alleged premature, recall/redemption of debenture, disputes/default interest, redemption premium thereon and non fulfillment of its other obligation which is pending for adjudication.

The said comment is self explanatory and does not require any explanation from the management expect that the matter has been refer to the commercial court in Goa.

I further report that as per records of the company:

3. No amount was required to be transferred to the Investor Education and Protection Fund by the Company during the year.
4. The company has not accepted any public deposits during the year.
5. 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(s).

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: 11th August, 2017

Prem Chand Goel

Place: Ghaziabad

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 compliances.
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 my 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 relied upon the correctness and appropriateness of financial records and Books of Accounts of the company audited by Statutory Auditor(s), Internal Auditor(s) and Audit Committee.

Disclaimer

6. 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: 11th August, 2017

Prem Chand Goel

Place: Ghaziabad

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

(Rs. in Lacs)

| 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 | 01-04-2016 to 31-03-2017 | 01-04-2016 to 31-03-2017 | 01-04-2016 to 31-03-2017 |
| 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) | (3.97) | (9.57) |
| Total Assets | 54119.06 | 261.67 | 203.96 |
| Total Liabilities | 26836.30 | 260.64 | 208.53 |
| Investments | 6.02 | - | - |
| Turnover | - | - | - |
| Profit/(Loss) before taxation | - | (0.29) | (0.29) |
| Provision for taxation | - | - | - |
| Profit after taxation | - | (0.29) | (0.29) |
| Proposed Dividend | - | - | - |
| % of Shareholding | 68.92 | 100 | 100 |

ANNEXURE- E
FORM NO. MGT-9: EXTRACT OF ANNUAL RETURN
As on Financial Year Ended on 31st March, 2017

[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 | : | BLUE COAST HOTELS LIMITED |
| iv) Category/Sub-Category of the Company | : | Public Company/ Limited By Shares |
| v) Address of the Registered Office and Contact Details | : | 263C AROSSIM,CANSAULIM, GOA; Tel No.: +91 832 2721234 Fax No.: +91-832 2721235 Email Id: info@bluecoast.in |
| vi) Whether Listed Company | : | Yes |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | : | RCMC Share Registry Private Ltd. B-25/1, Okhla Industrial Area, Phase -2, Near Rana Motors, New Delhi - 110020 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. | SILVER RESORT HOTEL INDIA PRIVATE LIMITED Address: 263C Arossim, Cansaulim, Goa 403712; Tel No.: +91 832 2721234 Fax No.: +91-832 2721235 | U55101GA2010PTC006298 | Subsidiary | 68.92 | 2 (87) |



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

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 (01.04.2016) | | | | No. of Shares held at the end of the year (31.03.2017) | | | | % change during the year |
|---------------------------------|--|------------|----------------|-------------------|--|----------|--------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 1005041 | 0 | 1005041 | 7.88 | 1005041 | 0 | 1005041 | 7.88 | 0.00 |
| b) Central Govt. or State Govt. | | | | | | | | | 0.00 |
| c) Bodies Corporates | 6821254 | 200 | 6821454 | 53.51 | 6821454 | 0 | 6821454 | 53.51 | 0.00 |
| d) Bank/FI | | | | | | | | | 0.00 |
| e) Any other | | | | | | | | | 0.00 |
| SUB TOTAL:(A) (1) | 7826295 | 200 | 7826495 | 61.39 | 7826495 | 0 | 61.39 | 61.39 | 0.00 |

| Category of Shareholders | No. of Shares held at the beginning of the year (01.04.2016) | | | | No. of Shares held at the end of the year (31.03.2017) | | | | % change during the year |
|--|--|------------|----------------|-------------------|--|----------|--------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (2) Foreign | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| 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 |
| SUB TOTAL (A) (2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 7826295 | 200 | 7826495 | 61.39 | 7826495 | 0 | 61.39 | 61.39 | 0.00 |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| 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 |
| SUB TOTAL (B)(1): | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies Corporates | 2352161 | 340 | 2352501 | 18.45 | 2352619 | 340 | 2352959 | 18.46 | 0.03 |
| 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.2 lakhs | 138922 | 79223 | 218145 | 1.71 | 139573 | 78323 | 217896 | 1.71 | 0.00 |



| Category of Shareholders | No. of Shares held at the beginning of the year (01.04.2016) | | | | No. of Shares held at the end of the year (31.03.2017) | | | | % 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. 2 lakhs | 31757 | 0 | 31757 | 0.25 | 31745 | 0 | 31745 | 0.25 | 0.00 |
| c) Others (specify) | | | | | | | | | |
| Clearing Members | 684 | 0 | 684 | 0.01 | 1634 | 0 | 1634 | 0.01 | 0.00 |
| Non Residents | 6403 | 300 | 6703 | 0.05 | 5266 | 300 | 5566 | 0.04 | 0.00 |
| Foreign Company | 2312162 | 0 | 2312162 | 18.14 | 2312162 | 0 | 2312162 | 18.14 | 0.00 |
| Trusts | 10 | 0 | 10 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| SUB TOTAL (B)(2): | 4842099 | 79863 | 4921962 | 38.61 | 4842999 | 78963 | 4921962 | 38.61 | 0.00 |
| Total Public Shareholding | | | | | | | | | |
| (B)= (B)(1)+(B)(2) | 4842099 | 79863 | 4921962 | 38.61 | 4842999 | 78963 | 4921962 | 38.61 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 12668394 | 80063 | 12748457 | 100.00 | 12669294 | 79163 | 12748457 | 100.00 | 0.00 |

ii) Shareholding of Promoters:

| S. No. | Shareholder's Name | Shareholding at the beginning of the year (01.04.2016) | | | Shareholding at the end of the year (31.03.2017) | | | % 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 | 2.51 | 2.51 | 320000 | 2.51 | 2.51 | 0.00 |

| S. No. | Shareholder's Name | Shareholding at the beginning of the year (01.04.2016) | | | Shareholding at the end of the year (31.03.2017) | | | % change in share-holding 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 | |
| 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 |
| | TOTAL | 7826495 | 61.40 | 30.22 | 7826495 | 61.40 | 30.22 | 0.00 |

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

There has been no change in the shareholding of promoter group of the Company 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 (01.04.2015 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 1162162 | 13.11 09.16 | 01.04.2016 31.03.2017 | | Nil Movement During the Year | 1162162 | 13.11 |
| 2. | JETTY CAPITAL LTD. | 1150000 1150000 | 12.97 12.97 | 01.04.2016 31.03.2017 | | Nil Movement During the Year | 1150000 | 12.97 |
| 3. | SOLACE INVESTMENTS & FINANCIAL SERVICES PVT. LTD. | 1146196 1146196 | 08.99 08.99 | 01.04.2016 31.03.2017 | | Nil Movement During the Year | 1146196 | 08.99 |
| 4. | NORTHERN PROJECTS LTD. | 970000 970000 | 07.60 07.60 | 01.04.2016 31.03.2017 | | Nil Movement During the Year | 970000 | 07.60 |
| 5. | SEED SECURITIES & SERVICES PVT.LTD | 645311 645311 | 05.06 05.06 | 01.04.2016 31.03.2017 | | Nil Movement During the Year | 645311 | 05.06 |
| 6. | SOLITARY INVESTMENTS & FINANCIAL SERVICES PVT LTD. | 645243 645243 | 05.06 05.06 | 01.04.2016 31.03.2017 | | Nil Movement During the Year | 645243 | 05.06 |
| 7. | LIQUID HOLDINGS PVT. LTD. | 599214 599214 | 04.70 04.70 | 01.04.2016 31.03.2017 | | Nil Movement During the Year | 599214 | 04.70 |
| 8. | MID MED FINANCIAL SERVICES & INVESTMENTS PVT. LTD. | 597087 597087 | 04.68 04.68 | 01.04.2016 31.03.2017 | | Nil Movement During the Year | 597087 | 04.68 |
| 9. | SQUARE INVESTMENTS & FINANCIAL SERVICES PVT. LTD. | 596699 596699 | 04.68 04.68 | 01.04.2016 31.03.2017 | | Nil Movement During the Year | 596699 | 04.68 |
| 10. | REACT INVESTMENTS & FINANCIAL SERVICES PVT LTD | 596699 596699 | 04.68 04.68 | 01.04.2016 31.03.2017 | | Nil Movement During the Year | 596699 | 04.68 |

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 |
| A. | DIRECTORS: | | | | |
| | 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 |
| | MRS. SEEMA JOSHI | 700 | 0.00 | 0 | 0.00 |
| | MR. MADAN GOPAL KHANNA | 0 | 0.00 | 0 | 0.00 |
| B. | KEY MANAGERIAL PERSONNEL (KMP): | | | | |
| | MR. DILIP BHARTANI | 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

Rs. in Lacs

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|--|--------------------|----------|-----------------------|
| Indebtedness at the beginning 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 | - | - | - | - |
| Total (i+ii+iii) | 30,741.96 | - | - | 30,741.96 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 3921.15 | - | - | 3921.15 |
| * Reduction | - | - | - | - |
| Net Change | 4,008.71 | - | - | 4,008.71 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 22,326.70 | - | - | 22,326.70 |
| ii) Interest due but not paid | 12,423.97 | - | - | 12,423.97 |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 34,750.67 | - | - | 34,750.67 |

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) |
|--------|--|---|-----------------------------|
| | | Mr. Sushil Suri Chairman & Managing Director | |
| 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 - others, specify | - | - |
| 5. | Others, please specify | - | - |
| | Total (A) | NIL | NIL |
| | Ceiling as per the Act | | |


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 | Mrs. Seema Joshi | |
| 1. | Independent Directors | | | | | | |
| | • Fee for attending board committee meetings | 30,000/- | 30,000/- | 30,000/- | 40,000/- | 40,000/- | 1.70 |
| | • Commission | - | - | - | - | | - |
| | • Others, please specify | - | - | - | - | | - |
| | Total (1) | 30,000/- | 30,000/- | 30,000/- | 40,000/- | 40,000/- | 1.70 |
| 2. | Other Non-Executive Directors | | | | | | |
| | | Mr. Kushal Suri | | | | | |
| | • Fee for attending board committee meetings | NIL | | | | | NIL |
| | • Commission | - | | | | - | |
| | • Others, please specify | - | | | | | - |
| | Total (2) | NIL | | | | NIL | |
| | Total (B)=(1+2) | 30,000/- | 30,000/- | 30,000/- | 40,000/- | 40,000/- | 1.70 |
| | Total Managerial Remuneration (A + B) | | | | | | |
| | Overall Ceiling as per the Act | 1% of Net Profits of the Company for all Non-Executive Directors | | | | | |

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

| 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 | 54,00,000/- | 4,18,000/- | 58.18/- |
| | 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 | — | — | — |
| | Total | 54,00,000/- | 4,18,000/- | 58.18/- |

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) |
|-------------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | NIL | | | | |
| Punishment | NIL | | | | |
| Compounding | NIL | | | | |
| B. DIRECTORS | | | | | |
| Penalty | NIL | | | | |
| Punishment | NIL | | | | |
| Compounding | NIL | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| 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 | NA |
| | 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 | |

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

| SL. No. | Particulars | Details |
|---------|---|---------|
| | Name (s) of the related party & nature of relationship | N.A. |
| | 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 | |
| | Date of approval by the Board | |
| | Amount paid as advances, if any | |

ANNEXURE - G

MANAGEMENT DISCUSSION & ANALYSIS REPORT

According to data released by the Ministry of Tourism on February 17th, the number of tourist arrivals in India rose by 16.5% year on year, to 983,000 in January 2017

As The Economist Intelligence Unit has pointed out, the tourism sector continues to benefit from regulatory changes that have made travelling to India a more convenient option. This includes the e-Tourist Visa scheme that allows visitors to obtain electronic visas online. Figures show that the number of tourists arriving on e-Visas had grown by 72% year on year, to 152,000, in January 2017. Arrivals under this scheme were heavily skewed towards a few sources. Just four countries—the UK, US, Russia and China—made up slightly more than half of travellers under the scheme. The strong dependence on tourists from the US (15%) and the UK (11.1%) could result in a hit to inflows in the event of an economic slowdown in these countries. There is large scope to attract more travellers from China (who make up an important group for markets in other parts of Asia), as they accounted for only 2.5% of all tourists in January.

We anticipate that improved infrastructure (such as new airports) will fuel foreign tourist inflows in the forthcoming years. Furthermore, some regulatory reforms will make it easier to travel across the country. For instance, the government plans to roll out a programme under which tourists arriving on e-Visas in select airports will receive pre-activated sim cards. Although the strategic implications or cost of this programme are insignificant, it has high symbolic value and highlights the fact that authorities are responsive to tourists' demands. The government will also provide support to the tourism sector through measures laid out in the budget for fiscal year 2017/18 (April–March). This includes the relaunch of the "Incredible India" marketing campaign and the set-up of five special tourism zones.

Further, the restoration of facilities at India's 25 cultural World Heritage Sites, the development of heritage sites included churches and convents of Old Goa, the time bound improvement and development highlights the Government's focus on building India as a heritage tourism destination. Further, ease of doing business initiatives like a single clearance window will foster an environment of business growth.

Apart from above, the focus areas such as infrastructure, skill development and rural development will have the potential provide a big tail wind for Indian tourism. The Hospitality industry will also benefit and contribute on initiatives of skill development in the achievement of objectives of the Government.

The Business Environment:

- The Economist Intelligence Unit expects the world economy to expand by 2.7% in 2017, compared with a lacklustre 2.3% in 2016
- The US economy is in relatively good shape, buoyed by rapid employment growth and rising wages. As has regularly been the case in recent years, the first quarter of 2017 was soft, but we expect stronger growth in the second half of the year. Without a boost to productivity or a broad improvement in the global economy, economic growth of around 2% is the new normal for the US. It is forecasted that average real GDP growth of 2.1% in 2017-18, before a business cycle recession in 2019



- It is forecasted that Europe's muted recovery will be consolidated over the forecast period, although political risk will remain high
- For Japan it is forecasted that growth averaging just 0.9% a year in 2017. The economy will be constricted by a shrinking workforce, a rising old-age dependency ratio and tight immigration controls. Inflation will remain well short of the Bank of Japan's target of 2%
- The outlook for emerging markets in 2017 is reasonable, with growth quickening to 4.3% from an estimated 3.7% in 2016
- Brazil and Russia, the third- and fourth-largest emerging economies, will both emerge from lengthy recessions. Overall, emerging markets will benefit from the rise in commodity prices
- In 2016 China grew by 6.7%, in line with the official target, despite persistent inefficiencies in the state sector and recessionary conditions in the industrial northeast. However, this was achieved at the cost of a further increase in indebtedness, accompanied by a property bubble in some cities. The build-up in debt, particularly in the corporate sector, is unsustainable, and we think that once the president, Xi Jinping, has consolidated his power at a party conference late in the year, he will sanction policies to rein in credit. Firms in the construction and real-estate sectors will be hit hardest. As a result, we forecast that growth will slow sharply in 2018, to 4.6%, from 6.6% in 2017
- With China losing momentum, India will be Asia's fastest-growing large economy in 2017-21, expanding at an average annual rate of 7.5%. However, the economy is also going through a painful period. A lending spree earlier this decade has saddled state-owned banks with bad loans. Combined with excess capacity in the steel industry, this will depress corporate lending and investment for some time yet. It is expected that GDP growth in fiscal years 2016/17 2017/18 (April-March) to average 7.2%, before growth accelerates as the major reform programme led by the pro-business Prime Minister, Mr Narendra Modi, generates greater benefits, especially in infrastructure and policymaking
- Consumer price inflation is expected to remain relatively low over the coming months thanks to an easing of food price increases. These subdued inflationary pressures could open the space for an interest-rate cut later this year. In our view, softer monetary policy is unlikely to kick-start sluggish private investment. Indeed, even though the repo rate has been cut by a cumulative 175 basis points over the past two and half years, credit demand from the industrial sector has been steadily decelerating

Indian Economic Indicators:

- a. **GDP growth** is expected to average 7.5% in 2017/18 (April-March) and grow to 7.7% in year 2018/19 (Source: The Economic Intelligence Unit and The International Monetary Fund (IMF))
- b. **World Inflation** is likely to be 2017 – 4.5%, 2018 – 3.9%, 2019 – 3.4%, (Source: Economic Intelligence Unit). The Reserve Bank of India (RBI, the central bank) will meet its inflation target of 2-6% throughout the forecast period. It will set monetary policy with a view to reducing inflationary pressures in 2017-21

- c. During January-June 2017, a total of 7.17 lakh tourist arrived on **e-Tourist Visa** as compared to 4.72 lakh during January-June 2016, registering a growth of 52.0% (Source: Ministry of Tourism, Govt. of India official website)
- d. **FEEs** during the period January- June 2017 were ₹87.096 Cr. with a growth of 19.7%, as compared to the FEE of ₹72.749 Cr. with a growth of 13.6% in January- June 2016 over January- June, 2015 (Source: Ministry of Tourism, Govt. of India official website)
- e. **FEEs (in US \$ terms)** during the period January-June 2017 were US\$ 13.230 billion with a growth of 22.3% as compared to the FEE of US\$ 10.818 billion with a growth of 6.0% in January- June 2016 over January- June 2015 (Source: Ministry of Tourism, Govt. of India official website)
- f. **India's travel and tourism sector** ranks 7th in the world in terms of its total contribution to the country's GDP, according to a new report of the World Travel and Tourism Council (WTTC). According to data, the travel and tourism sector generated INR 14.1 trillion (USD 208.9 billion) in 2016, which is world's 7th largest in terms of absolute size; the sum is equivalent to 9.6% of India's GDP. Additionally, the sector created 40.3 million jobs in 2016, which ranks India 2nd in the world in terms of total employment generated. The sector accounts for 9.3% of the country's total jobs. India's Travel and Tourism sector was also the fastest growing amongst the G20 countries, growing by 8.5% in 2016. A further 6.7% growth is forecast for 2017
- g. Expected that the currency will appreciate modestly in 2017-19, as foreign investment inflows strengthen in tandem with improving economic growth
- h. The policies of the new Government will encourage FII into India
- i. Despite a new goods and services tax (GST), the tax base will remain narrow, and efforts to cut public spending will have limited success. The budget deficit is forecasted to average 3.1% of GDP in fiscal years 2017/18-2021/22

Political:-

- a. Stable governments both at the Centre and State Influences Tourism in a positive way.
- b. Newly appointed Chief Minister of Goa, Mr. Manohar Parrikar (Ex. Union Defence Minister) has helped push city events like Defence Expo and BRICS in the past to Goa as a destination and the Government's pro-tourism image is expected to boost tourism in Goa in future as well
- c. Focus of the State Government with the help of the Centre on Infrastructure development like modernization of roads, bridges, airport and railways. Government is also trying to get back city events like Sunburn which had shifted to other destinations back to Goa
- d. Positive post-election scenario has aided FDI in various sectors which will help to boost the Indian Economy
- e. The Economist Intelligence Unit expects the ruling, centre-right National Democratic Alliance (NDA) coalition to win a second five-year term in office at the next parliamentary election in 2019.
- f. The NDA will lack a majority in the Rajya Sabha (the upper house) until at least 2019, constraining its ability to pass legislation. However, it will have some success in co-operating with regional parties on an issue-by-issue basis.



- g. By the end of its first term in 2019 the coalition will have completed major institutional reforms and made significant investments in infrastructure.

However, politically sensitive labour and land reforms are unlikely.

Major Assumptions:-

- a) Macro-economic conditions remain buoyant due to political stability
- b) Major decline in charter business in 2015 was seen as Russian outbound to Asia had suffered damage due to Russian economic and Ukraine crisis in 2015. The 2016-17 charter season has however been on a recovery mode majorly because of stability in Russia's political environment, revival of economy and stability in Ukraine region. Escalation of tension and ban in travel to Turkey resulted in shifting inbound business to India especially Goa.
- c) Inbound markets such as UK, Germany, United States of America, have been continuing their travel. 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
- d) BREXIT negotiations and impact on valuation of Euro and British Pound may have an impact in inbound travel from UK which is one of the major source market to Goa
- e) Incentive group is an upcoming opportunity as this segment has witnessed upward trends from Spain, Portugal, French and Arab markets since 2014
- f) Domestic market decisions are being influenced by overload of options and increased airfares
- g) Tourist inflow into Goa will increase from international market with the introduction of E-Tourist Visa.
- h) GST implementation from 1st July 2017 across India has impacted travel especially from Domestic source markets. Relaxation of Luxury Tax during off season was not extended in summer 2017 considering the implementation schedule of GST. This has further impacted domestic travel to luxury and Upscale Hotels in the INR 7500 and above Tax bracket. The impact and understanding of this tax and the input credit to this effect should stabilise by Q1 2018.
- i) Goa as a destination for leisure, wedding, Spa and MICE is evolving and growing however infrastructural reforms need to take place simultaneously.
- j) Alternate outbound destinations are being considered due to abundance of cheaper destinations (both in terms of stay as well as airfares) post implementation of GST for not only MICE but also for Social groups.
- k) Planet Hollywood Hotel opened in Q2 2015 in South Goa with a 115 keys. And W Retreat & Spa opened in December 2016. Additional Hotels in the Upscale and Luxury segments are expected to open and rebranding of certain Hotels is underway; however the exact opening dates/ schedules are yet to be announced
- l) With no major change in the increase of luxury category hotels in Goa, the demand for existing rooms is expected to increase

Macro – environmental elements:-

Taking recent trends in the external sector data into account, we will adjust our current-account deficit forecast (currently the equivalent of 1% of GDP in 2017), to show a slightly lower shortfall. In turn, this will also be reflected in our exchange-rate forecast to show a stronger rupee.

- ICRA estimates 12-14% growth in revenues for the industry over the next five years, with growth picking up in line with the macro-economic outlook for the country leading to mobilization of travellers and pick up in FTAs. The health care sector is expected to witness a growth due increasing medical tourism and higher health insurance penetration
- International relations with BRICS, SAARC, ASEAN and USA to further strengthen with the Government at centre
- GDP growth to average 7.5% 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
- We expect consumer price inflation to average 4.5% a year in 2017-21, as the RBI will be successful in containing price pressures and global commodity prices will stay well below past peaks. Throughout the forecast period inflation will remain sensitive to movements in food and oil prices, which have a combined weighting of around 60% in the consumer price
- Owing to a strong start to the year, the rupee is expected to perform well in 2017. We expect it to depreciate modestly, from Rs67: US\$1 in the first quarter of 2017 to Rs68.8:US\$1 by the year-end the strength of India's merchandise exports in early 2017 will also reduce the pressure from export-oriented companies on the monetary authorities to allow the currency to weaken in 2017. We then expect that the value of the rupee will fall to an average of Rs71.8:US\$1 by 2021

The Tourism Industry's contribution to the country's GDP will grow at the rate of 7.8% yearly in the period 2017-20

India's rich cultural heritage and history, food, friendly people, architectural monuments, hospitality and services are positive strengths for its tourism sector, which make it ahead of many of the emerging markets.

- YTD figures showed that Asia-Pacific region experienced negative year of year results in all the three performance metrics year to date. India witnessed an increase in occupancy of +2.9%, +1.3% in average rates and 4.2% positive variance in Rev Par.(STR Global)
- **FTAs** during the period January- June 2017 were 48.85 lakh with a growth of 17.2%, as compared to the FTAs of 41.69 lakh with a growth of 8.4% in January- June 2016 over January- June 2015. The percentage share of Foreign Tourist Arrivals (FTAs) in India during June 2017 among the top 15 source countries was highest from Bangladesh (29.23%) followed by USA (19.70%), UK (6.14%), Malaysia (3.82%), Australia (2.56%), China (2.52%), Singapore (2.31%), Sri Lanka (2.24%), Japan (2.21%), Canada (2.19%), France (1.96%), Germany (1.92%), Nepal (1.84%), Republic of Korea (1.50%) and Afghanistan (0.98%) (Source: Ministry of Tourism, Govt. of India official website)



- The percentage share of **Foreign Tourist Arrivals (FTAs)** in India during June 2017 among the top 15 ports was highest at Delhi Airport (22.16%) followed by Haridaspur Land Check Post (17.06%), Mumbai Airport (14.98%), Chennai Airport (9.06%), Bengaluru Airport (6.72%), Kolkata Airport (4.82%), Hyderabad Airport (4.37%), Cochin Airport (3.57%), Gede Rail Land Check Post (3.09%), Ghoadanga Land Check Post (2.08%), Tiruchirapalli Airport (1.93%), Ahmedabad Airport (1.60%), Trivandrum Airport (1.35%), Hilli Land Check Post (0.94%) and Changrabandha Land Check Post (0.86%) (Source: Ministry of Tourism, Govt. of India official website)
- The percentage shares of top 15 source countries availing e-Tourist Visa facilities during June, 2017 were as follows: USA (17.7%), UK (10.8%), China (6.8%), Australia (5.2%), Singapore (5.1%), Korea (Rep. of) (4.5%), France (4.3%), Germany (3.9%), Canada (3.4%), Malaysia (2.6%), Spain (2.2%), South Africa (1.7%), Thailand (1.6%), Netherlands (1.5%) and Italy (1.4%) (Source: Ministry of Tourism, Govt. of India official website)
- The percentage shares of top 15 ports in tourist arrivals on **e-Tourist Visa** during June, 2017 were as follows: New Delhi Airport (42.4%), Mumbai Airport (20.6%), Chennai Airport (10.0%), Bengaluru Airport (9.2%), Kochi Airport (3.7%), Hyderabad Airport (3.3%), Kolkata Airport (2.8%), Tirchy Airport (1.8%), Ahmedabad Airport (1.4%), Trivandrum Airport (1.3%), Amritsar Airport (0.9%), Cochin Seaport (0.7%), Dabolim (Goa) Airport (0.5%), Pune Airport (0.3%) and Jaipur Airport (0.3%) (Source: Ministry of Tourism, Govt. of India official website)
- According to World Economic Forum Travel and Tourism Competitiveness Report 2016/17 India ranked 39th out of 138 countries (55th out of 140 in 2015/16) while natural and cultural resources are major drivers however infrastructural gaps become a deterrent. Thanks to the 2015 and 2016 rebound, India's overall competitiveness score in this period increased by 0.19 points. The two most significant improvements are in infrastructure and in health and primary education: for example, India almost halved its rate of infant mortality (62 per 1,000 in the 2007–2008 edition of the GCI versus 37.9 today). Life expectancy increased to 68, up from 62 10 years ago, while primary education has become almost universal (up to 93.1% from 88.8%). Macroeconomic environment is another basic requirement where India's performance has improved significantly (+0.34)

India's relevance as business travel destination is increasing along with its economic growth, it remains a price-competitive destination, recent changes in its visa regime have the potential to improve international arrivals

Room Rates: -

Transient downfall -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. Cheaper international travel destinations and air fare, GST impact on room rates have also impacted the decline from traditional domestic markets

- 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 7 years
- UK, Germany, CIS and Europe have maintained and recorded an upward trend in comparison to the previous year

- 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

Awards for the year 2016:-

1. Goa won the Asia Spa-India Reader's Choice Award in the category, My favourite SPA DESTINATION, India.
2. Goa Tourism bags Best Destination for Fun and Relaxation at ITB Berlin 2016
3. Goa gets top honours from TripAdvisor's Travelers Choice Awards (Destinations) - No. 3 in India and No. 20 in Asia
4. Goa gets top honours from TripAdvisor's Travelers Choice Awards (Beaches) - 7 beaches in Top 10 India, 2 beaches in Top 10 Asia and 1 beach in Top 25 beaches in the World
5. Goa bags Best Value Destination (India) at Lonely Planet Magazine India Travel Awards 2016.
6. Goa Tourism bags prestigious Pitch Top 50 Brands Award 2016
7. Goa Tourism bags Most Innovative Product Award at the Travel and Tourism Fair (TTF) Hyderabad 2016
8. Goa Tourism Digital Marketing Campaign Bags Gold at Direct Marketing Association 2016
9. Goa Tourism bags Film Tourism Destination of the Year Award at IITM Chennai
10. Goa Tourism bags prestigious India Travel Award for Best Beach Destination
11. Goa Tourism puts up an impressive show at WTM London 2016 - Goa bags award as Best State for Leisure and Entertainment
12. Goa Tourism received an award for the Best Overall Presentation (National) at the IITM Mumbai
13. Goa Tourism bags Best State for Water Sports for the year 2016 award by PATWA Safari India South Asia Travel Awards.
14. Goa Tourism bags Best Wedding Destination of the Year Award at IITM Hyderabad.
15. Goa Tourism bags Best Decorated Stand National Award at IITM Hyderabad
16. Goa Tourism bags Asia-Pacific Sabre awards for best use of global social networking platforms

Awards for the year 2017:-

1. Goa Tourism Development Corporation bags 'Most Innovative Product' Award at TTF Bangalore
2. Goa Tourism bagged Gold Award at IAMAI India Digital Awards for Best Use of User Generated Content'
3. Goa Tourism bags 'Best Beaches and Coastal Destination Award'



4. GTDC Calangute Residency bags the "Best Host" Award in Budget Hotel Category from Yatra.com

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 it's bird hotspots scattered across the State. Goa is also expected to be prominently featured as a Bird Watchers Paradise on the global map.

Financial Performance with respect to operational performance

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 13379.16 Lakh (previous period Rs 11605.18 Lakh). The Company has incurred a net loss (after tax) of Rs 602.75 Lakh as against the net profit (after tax) of Rs 503.86 Lakh last year. For the period under report Park Hyatt Goa Resort & Spa achieved an average occupancy of 74.8% and its Rev PAR is 15.4% 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 addition of two premium suites with private plunge pool and creation of banquet facilities for 1200+ guest in an area of 20,000 Sq. Fts. is in progress. Further the Flower Show / Horticulture Tour / Agriculture Farming / Plantation etc under the Skill Development Programme on an existing Agriculture land / orchard land within the boundary of the hotel is being undertaken to enhance the value-added services for the Guests.

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 2017 stood at 567, 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 -

- The INR exchange rate to the USD is expected to be at INR 65-67 / USD
- Labour situation and Industrial relations reforms will continue to evolve
- Minimum wages have increased in 2016 and expected further increase 2017
- GDP growth is expected to remain as 2016 – 7.2%, 2017 – 7.2%, 2018 – 7.8%, 2019 – 7.5% (Source: The Economic Intelligence Unit and The International Monetary Fund (IMF))
- Consumer price Inflation is likely to be 2016 – 4.9%, 2017 – 4.3%, 2018 – 4.9%, 2019 – 4.8% (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 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

| | (Rs. / Lacs) | |
|--|--------------|---------|
| | 2016-17 | 2015-16 |
| a) Capital | — | — |
| b) Recurring | — | — |
| c) Total | — | — |
| 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 2016-17.

- g. Total Foreign Exchange used and earned.

| | (Rs. / Lacs) | |
|------------------------------|----------------|----------------|
| | 2016-17 | 2015-16 |
| i. Foreign Exchange Earnings | 3870.30 | 4538.04 |
| Total | 3870.30 | 4538.04 |
| ii. Foreign Exchange Outgo | | |
| Capital Goods | 41.50 | 40.05 |
| Other matters | 1341.79 | 1685.53 |
| Total | 1383.29 | 1725.58 |



FORM A

Form for Disclosure of Particulars with respect to Conservation of Energy

A. ELECTRICITY AND FUEL CONSUMPTION :

| | Current Year | Previous Year |
|--|--------------|---------------|
| 1. Electricity | | |
| (a) Purchased | | |
| Unit in Lacs (kWh) | 74.21 | 74.64 |
| Total Amount (Rs. in Lacs) | 429.92 | 381.37 |
| Rate/Unit (Rs.) | 5.79 | 5.11 |
| (b) Own generation | | |
| (i) Through diesel generator | | |
| Unit in Lacs (kWh) | 3.23 | 6.17 |
| Units per Ltr. Of diesel oil | 3.38 | 3.38 |
| Cost/unit (Rs.) | 12.70 | 14.30 |
| (ii) Through steam turbine/generator | | |
| Coal (specify quality and where used) - NA | | |
| 2. Diesel oil | | |
| Quantity (K. Ltrs.) | 492.00 | 524.13 |
| Total amount (Rs. in Lacs) | 269.07 | 303.08 |
| Average rate (Rs. per Ltr) | 54.69 | 57.82 |

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, 2017 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 31 March 2017, the Board of Directors consisted of Seven Directors, including Chairman and Managing Director, a woman Director and 5 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 2016-17, 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, 2017, 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 |
| Mrs. 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 |

* Mrs. Seema Joshi has resigned from the Directorship of the Company on 15th July, 2017


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 16 | 05 Aug. 16 | 14 Nov. 16 | 03 Feb. 17 | 30 Sep. 16 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 | ✓ | ✓ | ✓ | ✓ | ✓ |

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 | 2 | 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 2016-17, 4(Four) Board Meetings were held. The dates on which these Meetings were held are given in the Table provided in pt. no. (b) hereinabove.

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 holds any share in the Company as on 31.03.2017 except Mrs. 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" window 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, 03rd February, 2017, 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:

1. 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:

- i. 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;
- ii. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. 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 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, 2017, 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 |
| Mrs. Seema Joshi | Non-Executive Independent | Member |

c) Meetings and attendance during the year:

| Sr. No. | Name of the Director | Attendance in Audit committee Meetings held on | | | |
|---------|------------------------|--|------------|------------|------------|
| | | 30 May 16 | 05 Aug. 16 | 14 Nov. 16 | 03 Feb. 17 |
| 1. | Mr. Praveen Kumar Dutt | x | ✓ | ✓ | ✓ |
| 2. | Mr. Ashok Kini | ✓ | ✓ | x | ✓ |
| 3. | Dr. Vijay Mohan Kaul | ✓ | ✓ | x | ✓ |
| 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 Whole time 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, 2017, 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 16 |
|---------|------------------------|---|
| 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 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 2016-17 is given below:

| Name of Directors | Basic | Perquisites | Commission (for the year 2016-17) | Contribution to PF | Sitting Fee | Total |
|------------------------|-------|-------------|-----------------------------------|--------------------|-------------------|-------------------|
| Mr. Sushil Suri | - | - | - | - | - | - |
| Dr. V M Kaul | - | - | - | - | 30,000/- | 30,000/- |
| Mr. Praveen Kumar Dutt | - | - | - | - | 30,000/- | 30,000/- |
| Mr. Kushal Suri | - | - | - | - | Nil | Nil |
| Mrs. Seema Joshi | - | - | - | - | 40,000/- | 40,000/- |
| Mr. Ashok Kini | - | - | - | - | 30,000/- | 30,000/- |
| Mr. Madan Gopal Khanna | - | - | - | - | 40,000/- | 40,000/- |
| TOTAL | | | | | 1,70,000/- | 1,70,000/- |



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 endeavoured 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:

Mrs. Seema Joshi, Non-Executive 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, 2017, 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 2016-17 is given below:

| Nature of Grievance | Received | Resolved | Max. period of Reply (in day) |
|---|----------|----------|-------------------------------|
| Annual Report | 4 | 4 | 2 |
| Non-receipt of dividend for the F.Y.2016-17 | 0 | 0 | 0 |

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, 2017, 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 30th May 16 |
|---------|------------------------|---|
| 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. 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 |
|----------------|------|---------------------|------------|---------------------------------------|
| 2015-16 | 23rd | 29th September 2016 | 11.00 A.M | 263C, Arossim, Cansaulim, Goa -403712 |
| 2014-15 | 22nd | 30th September 2015 | 11.00 A.M. | 263C, Arossim, Cansaulim, Goa -403712 |
| 2013-14 | 21st | 30th September 2014 | 11.00 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 |
|---------------------------------|----------------------------------|----|--|
| 29 th September 2016 | 1 (One) | 1. | Approval of Related Party Contract. |
| 30 th September 2015 | None | | |
| 30 th 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. |

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 Financial 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 : 28th September 2017
Time : 11:00 A.M.
Venue : 263C, Arossim Beach, Cansaulim,
Goa – 403712 INDIA

b) Financial Year:

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

c) 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-16 | 67.05 | 60.75 | 355 | 106.10 | 88.45 | 445 |
| May-16 | 77.35 | 66.90 | 71 | 111.40 | 101.00 | 198 |
| Jun-16 | 152.65 | 81.20 | 829 | 178.00 | 99.70 | 8,866 |
| Jul-16 | 173.00 | 144.10 | 1,409 | 177.00 | 150.10 | 860 |
| Aug-16 | 153.95 | 116.00 | 4,427 | 157.90 | 115.15 | 4,459 |
| Sep-16 | 130.95 | 119.00 | 2,514 | 129.95 | 113.00 | 1,992 |
| Oct-16 | 137.90 | 118.40 | 1,620 | 129.15 | 107.35 | 1,845 |
| Nov-16 | 118.55 | 118.55 | 332 | 120.00 | 112.75 | 313 |
| Dec-16 | 124.40 | 118.20 | 30 | 134.95 | 118.75 | 576 |
| Jan-17 | 130.70 | 113.00 | 107 | 140.00 | 108.00 | 1,505 |
| Feb-17 | 138.40 | 120.05 | 51,856 | 140.00 | 108.00 | 1,505 |
| Mar-17 | 138.00 | 120.40 | 1,00,525 | 133.25 | 105.00 | 1,104 |

(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-16 | 67.05 | 25606.62 | 88.45 | 7,849.80 |
| May-16 | 77.35 | 26667.96 | 101.00 | 8,160.10 |
| Jun-16 | 152.65 | 26999.72 | 99.70 | 8,287.75 |
| Jul-16 | 173.00 | 28051.86 | 150.10 | 8,638.50 |
| Aug-16 | 153.95 | 28452.17 | 115.15 | 8,786.20 |
| Sep-16 | 130.95 | 27865.96 | 113.00 | 8,611.15 |
| Oct-16 | 137.90 | 27930.21 | 107.35 | 8,625.70 |
| Nov-16 | 118.55 | 26652.81 | 112.75 | 8,224.50 |
| Dec-16 | 124.40 | 26626.46 | 118.75 | 8,185.80 |
| Jan-17 | 130.70 | 27655.96 | 108.00 | 8,561.30 |
| Feb-17 | 138.40 | 28743.32 | 108.00 | 8,879.60 |
| Mar-17 | 138.00 | 29620.50 | 105.00 | 9,173.75 |

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, 2017:

| Shareholding of | Shareholders | | Shareholdings | | |
|---------------------|--------------|---------------|-----------------|------------------|---------------|
| | Number | % to total | Shares | Amount | % to total |
| Up to 5000 | 923 | 87.74 | 81109 | 811090 | 0.64 |
| 5001 to 10000 | 32 | 3.04 | 24772 | 247720 | 0.19 |
| 10001 to 20000 | 23 | 2.19 | 33260 | 332600 | 0.26 |
| 20001 to 30000 | 28 | 2.66 | 69386 | 693860 | 0.54 |
| 30001 to 40000 | 4 | 0.37 | 13719 | 137190 | 0.11 |
| 40001 to 50000 | 3 | 0.29 | 13888 | 138880 | 0.11 |
| 50001 to 100000 | 2 | 0.19 | 13304 | 133040 | 0.1 |
| 100001 and Above | 37 | 3.52 | 12499019 | 124990190 | 98.04 |
| Grand Totals | 1052 | 100.00 | 12748457 | 127484570 | 100.00 |



Ownership Pattern as on 31st March, 2017

| | No. of Folio's | % to total Folios | No. of Shares held | % to total Shares |
|--------------------------------|----------------|-------------------|--------------------|-------------------|
| PROMOTERS | | | | |
| Indian | 13 | 1.26 | 10,05,041 | 7.88 |
| Bodies Corporate | 12 | 1.16 | 68,21,454 | 53.51 |
| TOTAL (A) | 25 | 2.52 | 78,26,495 | 61.39 |
| PUBLIC | | | | |
| Foreign Company | 2 | 0.19 | 23,12,162 | 18.14 |
| Bodies Corporate | 54 | 5.13 | 23,52,959 | 18.46 |
| Clearing Members | 9 | 0.85 | 1,634 | 0.01 |
| NRI's | 6 | 0.57 | 5,566 | 0.04 |
| Individual | 956 | 90.87 | 2,49,641 | 1.96 |
| TOTAL (B) | 1,027 | 97.61 | 49,21,962 | 38.61 |
| TOTAL {(A) + (B)} = (C) | 1,052 | 100 | 1,27,48,457 | 100.00 |

l) Dematerialization of shares and liquidity:

The detail of shares dematerialized and those held in physical form, as on 31 March 2017.

| Particulars of Shares | Shares | |
|---|-----------------|---------------|
| | Number | % of Total |
| Dematerialized Form | | |
| National Securities Depository Ltd. (NSDL) | 12652497 | 99.25 |
| Central Depository Services (India) Ltd. (CDSL) | 15897 | 0.13 |
| Physical Form | 79163 | 0.62 |
| Total | 12748457 | 100.00 |

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, 2017.

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.
- 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

Sd/-

SUSHIL SURI

(Chairman & Managing Director)

Place: New Delhi

Date: 11.08.2017



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, 2017.

New Delhi
May 26, 2017

For Blue Coast Hotels Ltd.
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, 2017 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.

New Delhi
May 26, 2017

For Blue Coast Hotels Ltd.
SUSHIL SURI
(Chairman & Managing Director)

For Blue Coast Hotels Ltd
DILIP BHAGTANI
(Chief Financial Officer)



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, for the year ended on 31st March, 2017, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

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 Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

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 & Co. LLP
Chartered Accountants
Firm Registration No. 006855N / N500061

New Delhi
11th August, 2017

CA. M.K. Mahajan
Partner
MNo.: 017418

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 31st March 2017, 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 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 financial statements are free from material misstatement.

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 auditors' 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. 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.



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 31st March 2017 and its loss and its 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. 9 (A) (b) and 25(b) to the financial statements regarding no provision for interest or any other charges has been made on debentures pending litigation and recovery proceedings since 1st April 2015. Further the interest on term loan from financial institution is provided at simple contracted rate of interest since 1st April 2015.
- ii. 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 judgment whereupon the grant of stay against the order was not accepted. The Hon'ble Supreme Court ordered '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.
- iii. In view of above, the 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 flow in future to meet its obligations including financial support to its subsidiary companies.

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 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 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"; and
- (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 litigations on its financial position in its financial statements - Refer Note no. 20 to the financial statements; **Refer Note No. 20 to the financial statement**
 - (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;
 - (iv) the company has provided requisite disclosure in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. **Refer Note No. 20 to the financial statement**

For **M Kamal Mahajan & Co LLP**
Chartered Accountants
(Firm Regn. No. 006855N/N500061)

CA. M. K. Mahajan
Partner
(M.No. 017418)

Place: New Delhi
Date: 26th May 2017



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

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (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) According to the information and explanations furnished to us, the inventory has been physically verified at reasonable intervals by the management & no material discrepancies were noticed by the management.
- (iii) According to the information and explanations furnished to us, the company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership or other parties during the year covered in the register maintained under Section 189 of the Act. However, old interest free unsecured loan to wholly owned subsidiary companies amounting to Rs 464.72 lakhs are outstanding as on 31.03.2017.

According to the information & explanation given to us there is no stipulated schedule of repayment of old interest free unsecured principal, so we are unable to comment on the regularity of repayment of principal.

According to the information & explanation given to us the whole amount of Rs. 464.93 lakhs are 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 Act, with respect to the loans and investment made, and guarantees and security provided by it during the year. The company has already given a guarantee of Rs. 6500 lacs to Banks/ Financial institutions for loan taken by Joy Hotel Private Limited for setting up a five-star hotel project at Chandigarh. Refer note no. 20 (i) to the financial Statements.
- (v) According to the information & explanations given to us the company has not accepted deposits from the public within the meaning of section 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified during the year. Hence, the provisions of this clause are not applicable.
- (vi) The Central Government has not prescribed cost records for the company under section (1) of section 148 of the Act. Hence, the provisions of this clause are not applicable.
- (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 company, in general, is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues due to the appropriate authorities.

According to the information and explanations given to us, the below mentioned undisputed amount in respect of Service Tax & Income Tax, were in arrears as on 31st March, 2017 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 |
|---------------------|--------------------|-------------|--------------------------------|------------|-----------------|
| Finance Act, 1994 | Service Tax | 2,04,533 | FY 2013-14 | FY 2013-14 | Not paid |
| Income Tax Act-1961 | Income tax | 56,57,667 | FY 2009-10 | FY 2009-10 | Not paid |

(b) According to the information & explanations given to us, there are no dues payable in respect of Sales-tax, Value Added Tax, Service-tax, Income Tax, Customs duty, cess, central excise which have not been deposited with the appropriate authorities on account of 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 5 years |
| 2 | PACL Ltd. | Debentures principal amount | 10,000.00 | Up to 4 years |
| 3 | IFCI Ltd. & PACL Ltd | Interest on term loan, Debenture interest & Debenture redemption premium | 12153.47 | Up to 6 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) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.

(x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) According to the information and explanations given to us and based on 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 the 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 and 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 explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placements of shares or fully or partly 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 transactions with directors or person connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provision of clause 3 (xvi) of the Order are not applicable to the company.

For **M Kamal Mahajan & Co LLP**
Chartered Accountants
(Firm Regn. No. 006855N/N500061)

CA. M. K. Mahajan
(Partner)
(M.No. 017418)

Place : New Delhi
Date : 26th May 2017

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 Hotels Limited** ("the Company") as of 31 March 2017 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 Act.

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 Act, 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 were 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 auditors' 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 the 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 2017, 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 & Co LLP
Chartered Accountants
(Firm Regn. No. 006855N/N500061)

CA. M. K. Mahajan
(Partner)
(M.No. 017418)

Place : New Delhi
Date : 26th May 2017

Balance Sheet

As at 31st March, 2017

(Rs. in Lacs)

| | Notes | As at 31.03.2017 | As at 31.03.2016 |
|--|-------|---------------------|---------------------|
| <u>EQUITY AND LIABILITIES</u> | | | |
| 1. SHAREHOLDERS' FUNDS | | | |
| Share capital | 2 | 5,424.85 | 5,424.85 |
| Reserves and Surplus | 3 | 5,236.19 | 5,838.98 |
| | | <u>10,661.04</u> | <u>11,263.83</u> |
| 2. NON - CURRENT LIABILITIES | | | |
| Long-term borrowings | 4 | 87.56 | 2.32 |
| Long term liabilities | 5 | 98.66 | 98.64 |
| Long-term provisions | 6 | 165.08 | 148.58 |
| | | <u>351.30</u> | <u>249.54</u> |
| 3. CURRENT LIABILITIES | | | |
| Trade payables : | 7 | - | - |
| Total outstanding dues of micro enterprises and small enterprises | | 872.02 | 626.07 |
| Total outstanding dues other than of micro enterprises and small enterprises | | 1,122.55 | 1,018.84 |
| Short-term borrowings | | | |
| Current liabilities | 9 | 35,095.94 | 33,312.76 |
| Short-term provisions | 10 | 25.28 | 186.63 |
| | | <u>37,115.79</u> | <u>35,144.30</u> |
| | | <u>48,128.13</u> | <u>46,657.67</u> |
| <u>ASSETS</u> | | | |
| 1. NON-CURRENT ASSETS | | | |
| Fixed Assets | 11 | | |
| Tangible Assets | | 16,838.68 | 17,128.27 |
| Intangible Assets | | 64.24 | 6.94 |
| Capital work-in-progress | | 163.26 | 46.20 |
| | | <u>17,066.18</u> | <u>17,181.41</u> |
| Non-current Investments | 12 | 23,139.25 | 23,139.23 |
| Long-term loans and advances | 13 | 575.14 | 565.88 |
| | | <u>40,780.57</u> | <u>40,886.52</u> |
| 2. CURRENT ASSETS | | | |
| Current Investments | 14 | 250.00 | - |
| Inventories | 15 | 302.62 | 1,337.58 |
| Trade receivables | 16 | 963.90 | 572.40 |
| Cash and cash equivalents | 17 | 1,007.92 | 142.98 |
| Short-term loans and advances | 18 | 4,823.12 | 3,718.19 |
| | | <u>7,347.56</u> | <u>5,771.15</u> |
| | | <u>48,128.13</u> | <u>46,657.67</u> |
| SIGNIFICANT ACCOUNTING POLICIES | 1 | | |
| NOTES ON FINANCIAL STATEMENTS | 2-36 | | |

As per our separate report of even date

For M. Kamal Mahajan And Co. LLP
Chartered Accountants
(Firm Regn. No. 006855N / N500061)

CA. M.K. Mahajan
Partner
Membership No. 017418
Place : New Delhi
Date : May 26, 2017

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, 2017

(Rs. in Lacs)

| Notes | | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|--|------|--------------------------|--------------------------|
| REVENUE | | | |
| Revenue from operations | 21 | 13,265.90 | 11,543.78 |
| Other Income | 22 | 113.26 | 61.40 |
| Total Revenue | | <u>13,379.16</u> | <u>11,605.18</u> |
| EXPENSES | | | |
| Cost of materials, stores & supplies | 23 | 2,710.35 | 1,685.51 |
| Employee benefits expense | 24 | 2,599.69 | 2,377.74 |
| Finance Cost | 25 | 2,454.49 | 1,839.07 |
| Depreciation | 11 | 663.01 | 605.18 |
| Other expenses | 26 | 5,615.54 | 4,593.82 |
| Total expenses | | <u>14,043.08</u> | <u>11,101.32</u> |
| Profit/(Loss) before exceptional and extraordinary items and tax | | <u>(663.92)</u> | <u>503.86</u> |
| Exceptional items | | - | - |
| Profit/(Loss) before extraordinary items and tax | | <u>(663.92)</u> | <u>503.86</u> |
| Extraordinary Items | | - | - |
| Profit/(Loss) before tax | | <u>(663.92)</u> | <u>503.86</u> |
| Tax expense: Current Period | | | |
| (1) Current tax (MAT) | | - | 102.73 |
| (2) MAT Credit Entitlement | | - | (102.73) |
| Tax expense : Prior Period | | 61.17 | |
| Profit/(Loss) for the year | | <u>(602.75)</u> | <u>503.86</u> |
| Earning per equity share of Rs.10/- each: | 32 | | |
| (1) Basic | | (7.98) | 0.70 |
| (2) Diluted | | (7.98) | 0.70 |
| SIGNIFICANT ACCOUNTING POLICIES | 1 | | |
| NOTES ON FINANCIAL STATEMENTS | 2-36 | | |

As per our separate report of even date

For M. Kamal Mahajan And Co. LLP
Chartered Accountants
(Firm Regn. No. 006855N / N500061)

CA. M.K. Mahajan

Partner

Membership No. 017418

Place : New Delhi

Date : May 26, 2017

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, 2017

(Rs in Lacs)

| | Notes | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
|---|-------------|--------------------------|--------------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES : | | | |
| Net Profit/(Loss) before Tax and extraordinary items | | (602.75) | 503.86 |
| Adjustments for : | | | |
| Depreciation for the year | 11 | 663.01 | 605.18 |
| Loss on Sale of Fixed Assets | | - | 0.06 |
| Tax Expense Prior period | | (61.17) | - |
| Finance cost | 25 | 2,454.49 | 1,839.07 |
| Dividend Received | 22 | (1.00) | |
| Interest Received | 22 | (10.85) | (0.77) |
| | | <u>3,044.48</u> | <u>2,443.54</u> |
| Operating profit before working capital changes | | 2,441.73 | 2,947.40 |
| Changes in current assets and current liabilities | | | |
| (Increase)/ Decrease in Trade Receivables | 16 | (391.50) | 76.24 |
| (Increase)/ Decrease in Short term Loans & advances | 18 | (1,104.93) | (2,565.13) |
| (Increase)/ Decrease in Inventories | 15 | 1,034.96 | 315.82 |
| Increase/ (Decrease) in Current liabilities & Provisions | 7,8, 9 & 10 | <u>1,971.49</u> | <u>1,204.81</u> |
| Cash generated from operations | | <u>3,951.75</u> | <u>1,979.14</u> |
| Tax Expense Prior period | | 61.17 | (61.17) |
| NET CASH GENERATED BY OPERATING ACTIVITIES | | 4,012.92 | 1,917.97 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchase of Fixed Assets (net) | 11 | (547.83) | (381.76) |
| Long-term loans and advances | 13 | (9.26) | (18.80) |
| (Increase)/ Decrease in other current assets | 14 | (250.00) | - |
| Others non current assets | 12 | (0.02) | - |
| Dividend Received | 22 | 1.00 | - |
| Interest Received | 22 | 10.85 | 0.77 |
| NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES | | (795.26) | (399.79) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Finance cost (net) | 25 | (2,454.49) | (1,839.07) |
| Long term liabilities | 5 | 0.02 | |
| Increase / (Decrease) in long term provisions | 6 | 16.50 | |
| Long Term borrowings | 4 | <u>85.24</u> | <u>(2.33)</u> |
| NET CASH GENERATED/(USED) IN FINANCING ACTIVITIES | | (2,352.72) | (1,841.40) |
| Net Increase/(Decrease) in Cash and Cash equivalents(A+B+C) | | <u>864.94</u> | <u>(323.22)</u> |
| Cash and Cash equivalents as at beginning of the year | | 142.98 | 466.20 |
| Cash and Cash equivalents as at end of the year | | 1,007.92 | 142.98 |
| SIGNIFICANT ACCOUNTING POLICIES | 1 | | |
| NOTES ON FINANCIAL STATEMENTS | 2-36 | | |

As per our separate report of even date

For M. Kamal Mahajan And Co. LLP
Chartered Accountants
(Firm Regn. No. 006855N / N500061)

CA. M.K. Mahajan
Partner
Membership No. 017418
Place : New Delhi
Date : May 26, 2017

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 2017

(Rs in Lacs)

| | As at 31.03.2017 | As at 31.03.2016 |
|--|---------------------|---------------------|
| 2. A. SHARE CAPITAL | | |
| <u>Authorised</u> | | |
| (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> |
| <u>Issued, Subscribed & Paid up</u> | | |
| (i) <u>Equity Share Capital</u> | | |
| 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 |
| (ii) <u>Preference Share capital</u> | | |
| 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

| | 31.03.2017 | | 31.03.2016 | |
|---|------------|----------------------|------------|----------------------|
| | Nos. | Amount (Rs./Lacs) | Nos. | Amount (Rs./Lacs) |
| Outstanding at beginning of the year | 12,748,457 | 1,274.85 | 12,748,457 | 1,274.85 |
| Add : Shares issued during the year | - | - | - | - |
| 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 :

| | 31.03.2017 | | 31.03.2016 | |
|---|------------|----------------------|------------|----------------------|
| | 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 |

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 31.03.2017 are Rs 5993.47 Lakh (PY Rs. 5578.47 Lakh)
- iv) 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 31-03-2017 | | As at 31-03-2016 | |
|--|--------------------|--------------|--------------------|--------------|
| | 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 holder 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 | 31-03-2017 | | 31-03-2016 | |
|--|--------------------|--------------|--------------------|--------------|
| | 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 31.03.2017

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

| | (Rs. in Lacs) | |
|---|---------------------|---------------------|
| | As at 31.03.2017 | As at 31.03.2016 |
| 3. <u>RESERVES & SURPLUS</u> | | |
| General Reserve | 1,549.71 | 1,610.88 |
| Provision for taxation of earlier years | - | (61.17) |
| | <u>1,549.71</u> | <u>1,549.71</u> |
| Securities Premium Account | 8,279.80 | 8,279.80 |
| Surplus/(Deficit) - | | |
| Opening balance | (3,990.53) | (4,494.40) |
| Profit/(Loss) for the period | (602.75) | 503.87 |
| Adjustment for previous period | (0.04) | - |
| Closing balance | <u>(4,593.32)</u> | <u>(3,990.53)</u> |
| | <u>5,236.19</u> | <u>5,838.98</u> |

4. LONG TERM BORROWINGS

Secured

| | | |
|---|--------------|-------------|
| Term Loans from Banks - Refer Note 4(a) | - | 2.32 |
| Term Loan for Hypothecation purchase (Refer Note 4(b)) | 87.56 | - |
| | <u>87.56</u> | <u>2.32</u> |

(a) Term Loans from Banks

Current portion of term loan from banks is shown as "Current maturities of term loan from banks" under the head "Current Liabilities"

(b) Term Loan for Hypothecation purchase

Term Loan for Hypothecation purchase is repayable in equated monthly instalments. Current portion for monthly equated instalments is shown as "Current maturities of term loan for Hypothecation purchase" under the head "Current Liabilities"

| Year of Repayment | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|-------------------------|---------|---------|---------|---------|
| Annual Repayment Amount | 15.85 | 18.94 | 22.65 | 27.08 |
| Annual Rate of Interest | 18% | | | |

Contd.

| Year of Repayment | 2021-22 |
|-------------------------|---------|
| Annual Repayment Amount | 18.89 |
| Annual Rate of Interest | 18% |

| | As at 31.03.2017 | (Rs. in Lacs) As at 31.03.2016 |
|---|---------------------|--------------------------------------|
| 5 LONG TERM LIABILITIES | | |
| Earnest Money Deposit from shops within hotel | 50.00 | 50.00 |
| Sundry Creditors for Capital Expenditures | 48.66 | 48.64 |
| | <u>98.66</u> | <u>98.64</u> |
| 6 LONG TERM PROVISIONS | | |
| Provision for employees' benefits:- | | |
| -Gratuity (unfunded) | 104.68 | 93.83 |
| -Leave Encashment (Unfunded) | 60.40 | 54.75 |
| | <u>165.08</u> | <u>148.58</u> |
| 7 TRADE PAYABLES | | |
| Total outstanding dues of micro enterprises and small enterprises | - | - |
| Total outstanding dues other than of micro enterprises and small enterprises* | 872.02 | 626.07 |
| | <u>872.02</u> | <u>626.07</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.



| | | (Rs. in Lacs) | |
|----------|--|---------------------|---------------------|
| | | As at 31.03.2017 | As at 31.03.2016 |
| 8 | <u>SHORT TERM BORROWINGS</u> | | |
| | Secured Loan | | |
| | Working capital loans from banks including interest thereon* | 1,122.55 | 1,018.84 |
| | | <u>1,122.55</u> | <u>1,018.84</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. The amount paid by the secured lender to the working capital lender bank out of the alleged sale proceeds is disputed and not acknowledged. Pending adjudication, the interest is provided at the simple contracted rate. (Refer Note No. 9(B)) | | |
| 9 | <u>CURRENT LIABILITIES</u> | | |
| i. | Current maturities of Non Convertible Debentures (Refer Note 9 (A)(a)) | 10,000.00 | 10,000.00 |
| ii | Current maturities of term loans from financial institutions - Refer Note 9(B) | 11,368.91 | 11,368.91 |
| iii | Provision for Interest & redemption on secured borrowings - Disputed (Refer Note 9 (A) (b) & 9(B)) | 12,153.47 | 10,504.98 |
| iv | Current maturities of term loan from banks | 2.32 | 2.32 |
| v | Current maturities of term loan for hypothecation purchase - Refer Note 4(b) | 15.85 | - |
| vi | Advance received from customers | 445.13 | 434.54 |
| vii | Statutory dues | | |
| | - Tax deducted at source (TDS) | 61.60 | 51.78 |
| | - Income Tax | 56.58 | 75.04 |
| | - Indirect Taxes | 156.31 | 185.52 |
| viii | Employee benefits payable - | | |
| | -Salaries & benefits | 120.32 | 123.00 |
| | -Provident fund /ESI | 19.01 | 16.34 |
| | -Bonus & incentives | 80.24 | 61.30 |
| ix | Provisions For Expenses Payable | 616.19 | 489.03 |
| | | <u>35,095.94</u> | <u>33,312.76</u> |

(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 and lenders of working capital limits. The Company has pledged 10,00,00,000 number of equity shares of its subsidiary company. [Refer Note 12(ii)]
- 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, Neither provision for interest or redemption premium is made nor Debenture Redemption Reserve is created.

(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 5 Years |
| Debentures | 10,000.00 | - | up to 4 Year |
| Provision for interest - Disputed | | 12,153.47 | up to 6Years |
| | 21,368.91 | 12,153.47 | |

| | As at 31.03.2017 | As at 31.03.2016 |
|---|---------------------|---------------------|
| 10 SHORT TERM PROVISIONS | | |
| Provision for Income Tax (MAT) | - | 102.74 |
| Provision for taxation of earlier years | - | 61.17 |
| Provision for Employees' benefits : | | |
| -Gratuity (unfunded) | 13.97 | 12.19 |
| -Leave Encashment (Unfunded) | 11.31 | 10.53 |
| | 25.28 | 186.63 |



**11. FIXED ASSETS
TANGIBLE ASSETS**

(Rs in lacs)

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | CARRYING VALUE | |
|---------------------------------|-------------------|---------------|-----------------|-------------------|-------------------------------------|-----------------|-----------------|-------------------|
| | As at 01.04.16 | Additions | Dedu- ctions | As at 31.03.17 | Adjustment in opening Balance | For the year | Dedu- ctions | As at 31.03.17 |
| Land and Site development | | | | | | | | |
| - Land | 1,696.97 | - | - | 1,696.97 | - | - | - | 1,696.97 |
| - Site Development | 326.83 | - | - | 326.83 | - | - | - | 326.83 |
| Buildings | | | | | | | | |
| - Hotel | 15,831.95 | 3.07 | - | 15,835.02 | 3,159.56 | 246.56 | - | 12,672.39 |
| - Others | 20.42 | - | - | 20.42 | 6.80 | 0.32 | - | 13.30 |
| Plant and Equipment | 4,475.07 | 288.70 | 19.78 | 4,743.99 | 2,839.91 | 213.51 | 3.52 | 1,635.16 |
| Electrical Installations | 809.36 | 6.07 | - | 815.43 | 678.19 | 20.72 | - | 131.17 |
| Furniture's & Fixtures - Hotel | 1,599.56 | 14.84 | - | 1,614.40 | 1,410.12 | 76.92 | - | 189.45 |
| Furniture's & Fixtures - Others | 108.06 | 0.27 | - | 108.33 | 99.30 | 0.73 | - | 8.76 |
| Vehicles | 379.34 | 12.13 | - | 391.47 | 280.55 | 35.27 | - | 98.79 |
| Office Equipment's | 59.21 | 1.10 | - | 60.31 | 51.84 | 1.28 | - | 7.37 |
| Operating Equipment | 509.07 | 39.67 | - | 548.74 | 251.85 | 37.67 | - | 257.24 |
| Computers | 159.74 | 17.71 | - | 177.45 | 69.24 | 23.86 | - | 90.52 |
| Total | 25,975.58 | 383.56 | 19.78 | 26,339.36 | 8,847.36 | 656.84 | 3.52 | 17,128.27 |
| Previous Year | 25,598.95 | 1,494.01 | 1,117.38 | 25,975.58 | 9,364.27 | 599.91 | 1,116.83 | 17,128.27 |
| INTANGIBLE ASSETS | | | | | | | | |
| Computer Software | | | | | | | | |
| Previous Year | 88.97 | 63.47 | - | 152.44 | 82.03 | 6.17 | - | 6.94 |
| CAPITAL WORK-IN-PROGRESS | | | | | | | | |
| CWIP | | | | | | | | |
| Previous Year | 46.20 | 149.81 | 32.75 | 163.26 | - | - | - | 46.20 |
| Grand Total | 26,110.75 | 596.84 | 52.53 | 26,655.06 | 8,929.39 | 663.01 | 3.52 | 17,181.41 |
| Previous Year | 26,845.82 | 1,723.57 | 2,458.64 | 26,110.75 | 9,441.03 | 605.18 | 1,116.83 | 17,181.41 |

(Rs. in Lacs)

| | As at 31.03.2017 | As at 31.03.2016 |
|--|---------------------|---------------------|
| 12. NON- CURRENT INVESTMENTS | | |
| A. Trade Investments (At Cost Unless Stated Otherwise) | | |
| (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) 18,85,10,000 (P.Y. 18,85,10,000) Equity Shares of Rs.10/- each fully paid up of Silver Resort Hotel India Pvt Ltd - Refer Note 12(i) | 18,851.00 | 18,851.00 |
| (iii) 50,000 (P.Y. 50,000) Equity Shares of Rs.10/- each fully paid up of Golden Joy Hotel Pvt Ltd - Refer Note 13 | 5.00 | 5.00 |
| | <u>18,861.00</u> | <u>18,861.00</u> |
| B. Other Investments (At Cost Unless Stated Otherwise) - | | |
| (a) Quoted | | |
| 6,250 (P.Y.6,250) Equity Shares of Rs. 2/- each fully paid-up of ICICI Bank Ltd. (Market value of quoted investment is Rs. 17.30 Lakh (P.Y. Rs.14.79 Lakh)) | 1.22 | 1.22 |
| (b) Unquoted | | |
| 15,600 (P.Y.15,600) Equity Shares of Rs.10/- each fully paid up of Joy Hotel & Resorts Pvt Ltd | 4,275.02 | 4,275.00 |
| 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>4,278.25</u> | <u>4,278.23</u> |
| Total (A+B) | <u>23,139.25</u> | <u>23,139.23</u> |
| Aggregate amount of quoted investment | 1.22 | 1.22 |
| Aggregate amount of unquoted investment | 23,138.03 | 23,138.01 |
| (i) Silver Resort Hotel India Private Limited was implementing a hotel project at Delhi on a plot of land allotted by DIAL which has been allegedly terminated by DIAL. The subsidiary company has challenged the alleged termination and invoked an arbitration proceedings. Further, a winding up petition was filed at the High Court against the subsidiary company and the Hon'ble High Court has granted a stay on the winding up proceedings in an appeal filed by the Company. Pending the Arbitral Award and disposal of appeal, the provision for diminution in value of investments has not been made by the company during the year. | | |
| (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. Refer Note 9A(a) | | |
| (iii) All 15,600 equity share of Rs. 10/- each fully paid up of Joy Hotel & Resorts (P) Limited are pledged with term lenders for securing the term loans, interest & other charges payable thereon as availed by the Joy Hotel & Resorts Pvt Ltd for its upcoming five star hotel project at Chandigarh. | | |



| (Rs. in Lacs) | | |
|--|---------------------|---------------------|
| | As at 31.03.2017 | As at 31.03.2016 |
| 13. LONG TERM LOANS AND ADVANCES | | |
| (Unsecured, considered good) | | |
| Security Deposits | 110.22 | 101.16 |
| Loans & Advances to subsidiaries :- | | |
| Blue Coast Hospitality Limited (Maximum balance outstanding during the year- Rs. 206.65 Lakh) | 206.65 | 206.53 |
| Golden Joy Hotel Pvt. Limited (Maximum balance outstanding during the year- Rs. 258.27 Lakh*) | 258.27 | 258.19 |
| | - | - |
| | <u>575.14</u> | <u>565.88</u> |
| *In view of the pending litigation, no provision has been made for the advances recoverable in respect of hotel project at Amritsar. | | |
| 14. CURRENT INVESTMENT | | |
| Non Trade Investments | | |
| Investments in Mutual Funds | | |
| <u>Quoted</u> | | |
| 9412.829 Units (PY - Nil) of UTI Liquid - Cash Plan- | | |
| Institutional - Growth | 250.00 | - |
| (Market value Rs. 2,655.9496 per unit) | <u>250.00</u> | - |
| Aggregate value of quoted investment | 250.00 | |
| Aggregate market value of quoted investment | 250.00 | |
| Investments are stated at cost of acquisition. | | |
| 15. INVENTORIES | | |
| (At cost or Net Realizable Value whichever is lower) | | |
| Stores & Spares | 126.02 | 1,190.78 |
| Operating Inventories | 176.60 | 146.80 |
| | <u>302.62</u> | <u>1,337.58</u> |
| The inventory has been taken, valued and certified by the management. | | |
| 16. TRADE RECEIVABLES | | |
| Trade receivables outstanding for a period exceeding six months | | |
| Unsecured - | | |
| considered good | 9.58 | 24.12 |
| considered doubtful | - | 0.60 |
| Less : Allowance for doubtful debts | - | (0.60) |
| | <u>9.58</u> | <u>24.12</u> |
| Other Debts | | |
| Unsecured - | | |
| considered good | 954.32 | 548.28 |
| | <u>963.90</u> | <u>572.40</u> |

(Rs. in Lacs)

| | As at 31.03.2017 | As at 31.03.2016 |
|--|---------------------|---------------------|
| 17 CASH AND CASH EQUIVALENTS | | |
| Balances with banks | | |
| i) Current Accounts | 83.55 | 116.70 |
| ii) Bank Balances held as - | | |
| - Fixed Deposit | 910.21 | 6.28 |
| Cash on hand | 14.16 | 20.00 |
| | <u>1,007.92</u> | <u>142.98</u> |
| 18 SHORT TERM LOANS AND ADVANCES | | |
| (Unsecured, considered good) | | |
| Balance with Revenue Authorities | 961.82 | 1,148.79 |
| Loans & advances to employees | 31.22 | 20.53 |
| Capital Advances for extension of hotel* | 3,531.45 | 2,250.00 |
| Advances with Suppliers & Others | 298.63 | 298.87 |
| | <u>4,823.12</u> | <u>3,718.19</u> |

The amount represents paid to the Co-developer for improvement of existing room inventory, development of additional rooms for increasing the room inventory and banquet facilities within the hotel.

- 19 Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016

| Description | Specified Bank Notes | Other Denomination Notes | Total Notes |
|---------------------------------------|-------------------------|-----------------------------|----------------|
| Closing Cash in hand as on 08.11.2016 | 4,711,500 | 360,645 | 5,072,145 |
| (+) Permitted Receipts | - | - | - |
| (-) Permitted payments | - | - | - |
| (-) Amount Deposited in Banks | 4,711,500 | 5,740 | 4,717,240 |
| Closing Cash in hand as on 30.12.2016 | - | 385,300 | 385,300 |

(Rs. in Lacs)

| | As at 31.03.2017 | As at 31.03.2016 |
|--|---------------------|---------------------|
| 20. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) | | |
| a) Contingent Liabilities | | |
| Guarantees | | |
| - For securing loans of upcoming hotel project at Chandigarh of Joy Hotel & Resorts Private Limited (Refer Note 20(i)) | 6,500.00 | 6,500.00 |
| - For operation of the company | 17.12 | 17.12 |



| | (Rs. in Lacs) | |
|---|---------------------|---------------------|
| | As at 31.03.2016 | As at 31.03.2015 |
| b) Commitments | | |
| - Estimated amount of contracts remaining to be executed on capital account | 0.09 | 250.00 |
| c) Other money for which company is contingently liable | | |
| - Disputed Claim for a short fall of buy back of equity share capital of subsidiary company Silver Resort Hotel India (P) Limited. (Refer Note 20 (ii)) | 8,500.00 | 8,500.00 |
| - Claim for reimbursement of expenses | - | 354.60 |
| - Dividend on cumulative preference shares | | |
| 10% cumulative redeemable preference shares - accumulated | 5,993.47 | 5,578.47 |
| - Income Tax Matters | - | 1.16 |
| | <u>21,010.68</u> | <u>21,201.35</u> |
| (i) Joy Hotel & Resorts Private Limited has achieved a One Time Settlement with its secured lenders which had initiated recovery proceedings against it under SARFAESI Act, 2002. Further, the Hon'ble High Court was pleased to stay the auction of the plot by the Estate Office which had resumed the plot due to default in the payment of change of land use / conversion fee. | | |
| (ii) The financial institution from which the company had taken term loan had 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 Lakh. The company had 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 Lakh alongwith simple assured return on the investment @ 23% per annum (disputed) w.e.f. date of agreement dated 12.03.2010. The recall / claim is 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 Lakh (previous year Rs 1031.18 Lakh) 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 Lakh (Previous Year Rs 500 Lakh) which has since expired and the claim is being contested by the Subsidiary Company for non-fulfilment of the obligations undertaken by PUDA under the Agreements | | |
| 21 REVENUE FROM OPERATIONS | | |
| Room Income | 8,739.40 | 7,592.71 |
| Food & Beverages | 2,739.79 | 2,270.61 |
| Alcoholic Beverages | 1,230.92 | 1,020.13 |
| Communications | 1.81 | 2.49 |
| Others | 553.98 | 657.84 |
| | <u>13,265.90</u> | <u>11,543.78</u> |

| | (Rs. in Lacs) | |
|---|---------------------|---------------------|
| | As at 31.03.2017 | As at 31.03.2016 |
| 22 OTHER INCOME | | |
| Interest Income | 10.85 | 0.77 |
| Dividend received on investments | 1.00 | 0.66 |
| Miscellaneous Income | 101.41 | 59.97 |
| | <u>113.26</u> | <u>61.40</u> |
| 23 COST OF MATERIALS, STORES & SUPPLIES CONSUMED | | |
| <u>Stores & Spares</u> | | |
| Opening Stock | 1,190.79 | 1,498.37 |
| Add : Purchases | 337.56 | 406.46 |
| | <u>1,528.35</u> | <u>1,904.83</u> |
| Less: Closing Stock | 126.02 | 1,190.79 |
| Total (a) | <u>1,402.33</u> | <u>714.04</u> |
| <u>Operating Inventories</u> | | |
| Opening Stock | 146.80 | 155.03 |
| Add : Purchases | 1,337.82 | 963.24 |
| | <u>1,484.62</u> | <u>1,118.27</u> |
| Less: Closing Stock | 176.60 | 146.80 |
| Total (b) | <u>1,308.02</u> | <u>971.47</u> |
| Total (a+b) | <u>2,710.35</u> | <u>1,685.51</u> |
| 24 EMPLOYEE BENEFITS EXPENSE | | |
| Salaries and Wages | 1,974.11 | 1,797.60 |
| Gratuity & Leave Encashment | 51.36 | 63.04 |
| Contribution to Provident Fund and ESI | 113.26 | 114.45 |
| Staff Welfare | 460.96 | 402.65 |
| | <u>2,599.69</u> | <u>2,377.74</u> |
| 25 FINANCE COST | | |
| <u>Finance Cost on operations</u> | | |
| Interest | 638.55 | 632.04 |
| Bank charges | 10.94 | 47.03 |
| <u>Finance Cost on Investments</u> | | |
| Interest | 1,805.00 | 1,160.00 |
| | <u>2,454.49</u> | <u>1,839.07</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. Further the Interest on term loan from financial institution is provided at simple contracted rate of interest.



26 OTHER EXPENSES

| | | |
|------------------------------------|-----------------|-----------------|
| Telephone | 26.79 | 26.01 |
| Power & Fuel | 790.60 | 728.18 |
| Rent | 56.08 | 51.74 |
| Repair to buildings | 79.82 | 73.06 |
| Repairs to machinery | 544.49 | 571.75 |
| Insurance | 27.81 | 44.10 |
| Rates and Taxes | 8.02 | 5.45 |
| Auditors Remuneration | 29.33 | 29.20 |
| Legal and Professional Charges | 1,018.24 | 635.22 |
| Travelling Expenses | 216.75 | 150.63 |
| Selling and Advertisement Expenses | 989.45 | 915.33 |
| Management fees | 901.72 | 775.57 |
| Printing & Stationery | 59.28 | 50.07 |
| Loss on Sale of Fixed Assets | 0.00 | 0.06 |
| Miscellaneous Expenses | 867.18 | 537.45 |
| | <u>5,615.54</u> | <u>4,593.82</u> |

27. PAYMENT TO STATUTORY AUDITORS

(Rs. In lacs)

| Particulars | 31.03.2017 | 31.03.2016 |
|---------------|--------------|--------------|
| Audit Fee | 20.00 | 20.00 |
| Tax Audit Fee | 3.00 | 3.00 |
| Tax Matters | 2.50 | 2.50 |
| Certification | 1.24 | 0.89 |
| Service Tax | 4.01 | 3.82 |
| Total | 30.75 | 30.21 |

28. PRIOR PERIOD ITEMS

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

29. 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 | 31.03.2017 | 31.03.2016 |
|--|---------------|---------------|
| Employer's contribution to Provident Fund | 99.20 | 95.78 |
| Employer's contribution to Employees State Insurance | 14.05 | 18.67 |
| Total | 113.25 | 114.45 |

(B) Disclosure for Defined Benefits Plans

(Rs. In lacs)

| i. Particulars | Gratuity (Un-funded) | | Leave Encashment (Un-funded) | |
|---|----------------------|------------|------------------------------|------------|
| | 31.03.2017 | 31.03.2016 | 31.03.2017 | 31.03.2016 |
| Change in the present value of obligation : | | | | |
| Present Value of Obligation as at the beginning of the year | 106.01 | 107.00 | 65.26 | 45.32 |
| Add : Interest Cost | 7.95 | 8.35 | 4.90 | 3.54 |
| Add : Current Service Cost | 27.61 | 24.33 | 35.31 | 24.54 |
| Less : Benefit paid | (9.91) | (17.29) | (22.41) | (26.81) |
| Add : Actuarial gain/ (loss) on obligations | (13.02) | (16.38) | (11.36) | 18.67 |
| Present Value of Obligation as at the close of the year | 118.64 | 106.01 | 71.70 | 65.26 |

| ii. Particulars | Gratuity (Un-funded) | | Leave Encashment (Un-funded) | |
|--|----------------------|------------|------------------------------|------------|
| | 31.03.2017 | 31.03.2016 | 31.03.2017 | 31.03.2016 |
| Change in the fair value of Plan Assets : | | | | |
| 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) | |
|---|----------------------|------------|------------------------------|------------|
| | 31.03.2017 | 31.03.2016 | 31.03.2017 | 31.03.2016 |
| Expense recognized in the Statement of Profit and Loss | | | | |
| Current Service Cost | 27.60 | 24.32 | 35.31 | 24.54 |
| Add: Interest Cost | 7.95 | 8.35 | 4.89 | 3.54 |
| Less: Expected Return On Plan Assets | - | - | - | - |
| Less: Settlement Credit | - | - | - | - |
| Add: Net actuarial (gain)/ loss recognized | (13.03) | (16.38) | (11.37) | 18.67 |
| Total expenses recognized in Statement of Profit & Loss | 22.52 | 16.29 | 28.83 | 46.75 |

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) | |
|---|----------------------|------------|------------------------------|------------|
| | 31.03.2017 | 31.03.2016 | 31.03.2017 | 31.03.2016 |
| Discount Rate | 7.20% | 7.50% | 7.20% | 7.50% |
| 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) | 28.36 | 29.14 | 28.36 | 28.72 |



30. 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.

31. 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.

32. EARNING PER SHARE:

| | 31.03.2017 | 31.03.2016 |
|--|------------|------------|
| Profit/(Loss) for the year | (602.75) | 503.86 |
| Less : Preference Share Dividend | 415.00 | 415.00 |
| Profit/(Loss) available for equity share holders | (1,017.75) | 88.86 |
| Add: Dividend on cumulative preference shares (Convertible) | - | - |
| Adjusted Profit/(Loss) available for equity share holders | (1,017.75) | 88.86 |
| Weighted average number of equity shares outstanding for Basic earning per share | 12,748,457 | 12,748,457 |
| 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 | 12,748,457 |
| Basic earnings per share in rupees (face value - Rs.10 per share) | (7.98) | 0.70 |
| Diluted earnings per share in rupees (face value - Rs.10 per share) | (7.98) | 0.70 |

33. In the opinion of management, there is no impairment condition exists as on 31st March, 2017. Hence no provision is required in the accounts for the current period ending.

34. 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 | Nil |
| 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 | |

| b. | Transaction with Related parties | Nature of transaction | Amount |
|------|---|---|--------|
| i. | Subsidiary Companies | Advances during the year | 0.02 |
| | | Closing balance as on 31.03.2017 Recoverable | 464.93 |
| | | Maximum balance outstanding during the year | 464.93 |
| ii. | Associate Company | | Nil |
| iii. | Key Management Personnel | Remuneration / Perquisites | 58.25 |
| | | Closing balance as on 31.03.2017 (Payable) / Recoverable | (6.91) |
| | | Maximum balance outstanding during the year | (6.91) |
| 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 | – |
| | | Closing Balance as on 31.03.2017 (Payable / Recoverable) | – |
| | | Maximum balance outstanding during the year - Receivable | – |

35. Foreign Exchange Earnings

(Rs. In Lacs)

| Particulars | 31.03.2017 | 31.03.2016 |
|--------------------------|------------|------------|
| Receipts from operations | 3,870.30 | 4,538.04 |

Expenditure in Foreign Currency

| Particulars | 31.03.2017 | 31.03.2016 |
|---------------|------------|------------|
| Capital Goods | 41.50 | 40.05 |
| Others | 1,341.79 | 1,685.53 |



36. 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 of trade receivables, trade payables, current/ non-current advances given/ received, amount recoverable from parties are subject to reconciliation and confirmation from respective parties.
- c) 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
- d) Figures have been given in lakhs.



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 31st March 2017, the Consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of 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 the assets of the group and for preventing and detecting frauds and other irregularities; selection and the 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 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 these 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 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 auditors' 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 we have obtained 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 31st March 2017 and 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:

- a) Note no. 10 (A) (b) and 27(b) to the financial statements regarding no provision for interest or any other charges has been made by the company on debentures pending litigation and recovery proceedings since 1st April 2015. Further the interest on term loan from financial institution is provided at simple contracted rate of interest since 1st April 2015.
- b) 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 Judgment 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 judgment whereupon the grant of stay against the order was not accepted. The Hon'ble Supreme Court ordered '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) Note no. 10 (D) and 12 (a) of the notes on financial statements whereby the company has invoked an arbitration to settle the dispute with (Delhi International Airport Private Limited) DIAL wherein the outcome of the award is awaited. Further, DIAL has filed a winding up petition against the Company and the matter is pending before the Hon'ble High Court. The realization of the investment in fixed assets of Rs 54087.90 lakhs by the company is subject to the outcome of the above cases.
- d) Note no. 10 (G) and 12(b) of the notes on financial statements whereby during the year the company and the co-developer have entered into an amendment agreement to the Joint Development Agreement (JDA) to redefine their

obligations and any amounts including but not limited to legal charges, incidental expenses, claims of the unit holders required to be paid by the co-developer will be reimbursed by the company to the co-developer. During the year, the co-developer has also submitted an account to the company for the amount spent on Delhi Hotel Project amounting to Rs 7938.42 Lakh up to 31st March, 2017 and the same is acknowledged by the company. The said amount has been allocated in the Schedule of Fixed Assets under the various accounting heads of Capital Works in Progress.

- e) We draw attention to the Note No. 22(c) of the financial statements; the company was in process of setting up a hotel in Amritsar on a plot taken from Punjab Urban Planning and Development Authority (PUDA) on a lease for a period of sixty years. Due to pending pre-construction approvals including building plan, the civil construction could not be commenced resulting in PUDA filing the claims against the Company for Rs. 1031.18 Lakhs along with interest which is being contested.
- f) In view of above, the 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 flow in future to meet its obligations.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) 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 the 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 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 31st March 2017 taken on record by the Board of Directors of respective companies, none of the directors of the Group companies is disqualified as on 31st March 2017 from being appointed as a director of that company 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 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 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 consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group. - **Refer Note no. 22 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 Investor Education and Protection Fund by the Company;
- (iv) the Group has provided requisite disclosure in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Group. **Refer Note no. 21 to the consolidated financial statements.**

For **M Kamal Mahajan & Co LLP**
Chartered Accountants
(Firm Regn. No. 006855N/N500061)

CA. M. K. Mahajan
(Partner)
(M.No. 017418)

Place : New Delhi
Date : 26th May 2017



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 2017, 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 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 Act.

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 Act, 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 were 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 auditors' 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 the 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 2017, 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 & Co LLP**
Chartered Accountants
(Firm Regn. No. 006855N/N500061)

CA. M. K. Mahajan
(Partner)
(M.No. 017418)

Place : New Delhi
Date : 26th May 2017

Consolidated Balance Sheet

As at 31st March, 2017

(Rs. in lakh)

| | Notes | As at 31.03.2017 | As at 31.03.2016 |
|---|-------|---------------------|---------------------|
| EQUITY AND LIABILITIES | | | |
| 1. SHAREHOLDERS' FUNDS | | | |
| Share capital | 2. | 5,424.85 | 5,424.85 |
| Reserves and Surplus | 3. | 5,175.66 | 5,779.00 |
| | | 10,600.51 | 11,203.85 |
| 2. MINORITY INTEREST | 4 | 8,478.79 | 8,478.79 |
| 3. NON - CURRENT LIABILITIES | | | |
| Long-term borrowings | 5. | 87.56 | 2.32 |
| Other Long term liabilities | 6. | 98.66 | 98.64 |
| Long-term provisions | 7. | 165.08 | 148.58 |
| | | 351.30 | 249.54 |
| 4. CURRENT LIABILITIES | | | |
| Trade payables : | 8 | | |
| Total outstanding dues of micro enterprises and small enterprises | | | |
| Total outstanding dues other than of micro enterprises and small enterprises* | | 876.27 | 721.01 |
| Short-term borrowings | 9 | 1,122.55 | 1,018.84 |
| Other current liabilities | 10. | 61,932.22 | 54,655.42 |
| Short-term provisions | 11. | 25.28 | 186.62 |
| | | 63,956.32 | 56,581.89 |
| | | 83,386.92 | 76,514.07 |
| ASSETS | | | |
| 1. NON-CURRENT ASSETS | | | |
| Fixed Assets | 12. | | |
| Tangible Assets | | 55,098.79 | 56,472.09 |
| Intangible Assets | | 552.19 | 494.89 |
| Capital work-in-progress | | 15,960.35 | 6,704.25 |
| | | 71,611.33 | 63,671.23 |
| Non-current Investments | 13. | 4,278.25 | 4,278.23 |
| Long-term loans and advances | 14. | 118.05 | 564.65 |
| | | 76,007.63 | 68,514.12 |
| 2. CURRENT ASSETS | | | |
| Current Investments | 15. | 256.02 | 701.31 |
| Inventories | 16. | 302.62 | 1,337.59 |
| Trade receivables | 17. | 963.90 | 572.40 |
| Cash and cash equivalents | 18. | 1,022.98 | 150.36 |
| Short-term loans and advances | 19. | 4,833.62 | 5,237.34 |
| Other current assets | 20. | 0.15 | 0.95 |
| | | 7,379.29 | 7,999.95 |
| | | 83,386.92 | 76,514.07 |
| SIGNIFICANT ACCOUNTING POLICIES | 1 | | |
| NOTES ON CONSOLIDATED FINANCIAL STATEMENTS | 2-33 | | |

As per our separate report of even date

For M.Kamal Mahajan & Co. LLP
Chartered Accountants
(Firm Regn. No. 006855N / N500061)

CA. M.K. Mahajan

Partner
M No.017418

Place : New Delhi
Date : May 26, 2017

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

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Dilip Bhagiani)
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, 2017

| | | Year Ended 31.03.2017 | (Rs. in lakh) Year Ended 31.03.2016 |
|---|-------|--------------------------|---|
| | Notes | | |
| REVENUE | | | |
| Revenue from operations | 23. | 13,265.90 | 11,552.73 |
| Other Income | 24. | 113.26 | 52.45 |
| Total Revenue | | <u>13,379.16</u> | <u>11,605.18</u> |
| EXPENSES | | | |
| Cost of materials, stores & supplies | 25. | 2,710.35 | 1,685.51 |
| Employee benefits expense | 26. | 2,599.69 | 2,377.74 |
| Finance Cost | 27. | 2,454.49 | 1,839.07 |
| Depreciation | 12. | 663.01 | 605.18 |
| Other expenses | 28. | 5,616.13 | 4,595.11 |
| Total expenses | | <u>14,043.67</u> | <u>11,102.61</u> |
| Profit/(Loss) before exceptional and extraordinary items and tax | | (664.51) | 502.57 |
| Exceptional items | | — | — |
| Profit/(Loss) before extraordinary items and tax | | (664.51) | 502.57 |
| Extraordinary Items - Income(net of taxes) | | — | — |
| Profit/(Loss) before tax | | (664.51) | 502.57 |
| Tax expense: Current Period | | | |
| (1) Current tax (MAT) | | — | 102.73 |
| (2) MAT Credit Entitlement | | — | (102.73) |
| Tax expense: Prior Period | | 61.17 | — |
| Profit/(Loss) after tax but before Minority Interest | | (603.34) | 502.57 |
| Share of Minority Interest in Profit/(Loss) | | — | — |
| Profit/(Loss) for the year available for majority shareholders | | (603.34) | 502.57 |
| Earnings per equity share of Rs.10/- each: | | | |
| (1) Basic | | (7.99) | 0.69 |
| (2) Diluted | | (7.99) | 0.69 |

SIGNIFICANT ACCOUNTING POLICIES

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

1

2-33

As per our separate report of even date

For M.Kamal Mahajan & Co. LLP
Chartered Accountants
(Firm Regn. No. 006855N / N500061)

CA. M.K. Mahajan

Partner

M No.017418

Place : New Delhi

Date : May 26, 2017

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 Cash Flow Statement

For the year ended 31st March, 2017

| | | (Rs. in lakh) | |
|--|--------------|--------------------------|--------------------------|
| | Notes | Year Ended 31.03.2017 | Year Ended 31.03.2016 |
| A. CASH FLOWS FROM OPERATING ACTIVITIES : | | | |
| Net Profit/(Loss) before Tax and extraordinary items | | (603.34) | 502.57 |
| Adjustments for : | | | |
| Depreciation for the year | 12. | 663.01 | 605.18 |
| Loss on Sale of Fixed Assets | 28. | — | 0.06 |
| Tax Expense Prior period | | (61.17) | |
| Finance cost | 27. | 2,454.49 | 1,839.07 |
| Dividend Received | 24. | (1.00) | |
| Interest Received | 24. | (10.85) | (0.77) |
| | | <u>3,044.48</u> | <u>2,443.54</u> |
| Operating profit before working capital changes | | 2,441.14 | 2,946.11 |
| (Increase)/ Decrease in Trade Receivables | 17. | (391.50) | 76.24 |
| (Increase)/ Decrease in Short term Loans & advances | 19. | 403.72 | (3,132.49) |
| (Increase)/ Decrease in other current assets | 20. | 0.80 | (0.35) |
| (Increase)/ Decrease in inventories | 16. | 1,034.97 | 315.80 |
| Increase/ (Decrease) in Current liabilities & Provisions | 8,9, 10 & 11 | 7,374.43 | 4,798.19 |
| Increase in Long term provisions | 7. | 16.50 | (15.85) |
| Cash generated from operations | | 10,880.06 | 4,987.65 |
| Tax Expense Prior period | | (61.17) | 61.17 |
| Cash Flow before extraordinary items | | 10,941.23 | 4,926.48 |
| Extraordinary items | | — | — |
| Deferred tax liability on extraordinary items | | — | — |
| NET CASH GENERATED BY OPERATING ACTIVITIES | | 10,941.23 | 4,926.48 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchase of Fixed Assets (net) | 12. | (8,603.12) | (2,685.03) |
| Long-term loans and advances | 14. | 446.60 | (20.82) |
| Current Investments | 15. | 445.29 | (701.31) |
| Dividend Received | 24. | 1.00 | — |
| Interest Received | 24. | 10.85 | 0.77 |
| NET CASH USED IN INVESTING ACTIVITIES | | (7,699.38) | (3,406.39) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Finance cost (paid) | 27. | (2,454.49) | (1,839.07) |
| Proceeds from Long Term borrowings (Net) | 5. | 85.24 | (2.33) |
| Changes in Long Term liabilities | 6. | 0.02 | — |
| NET CASH GENERATED/(USED) IN FINANCING ACTIVITIES | | (2,369.23) | (1,841.40) |
| Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C) | | 872.62 | (321.31) |
| Cash and Cash equivalents as at beginning of the year | | 150.36 | 471.67 |
| Cash and Cash equivalents as at end of the year | | 1,022.98 | 150.36 |
| SIGNIFICANT ACCOUNTING POLICIES | 1 | | |
| NOTES ON CONSOLIDATED FINANCIAL STATEMENTS | 2-33 | | |

As per our separate report of even date

For M.Kamal Mahajan & Co. LLP
Chartered Accountants
(Firm Regn. No. 006855N / N500061)

CA. M.K. Mahajan
Partner
M No.017418

Place : New Delhi
Date : May 26, 2017

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

- 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

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 2017

| | (Rs in lakh) | |
|--|-----------------------------------|-----------------------------------|
| | As at 31.03.2017 | As at 31.03.2016 |
| 2 A. SHARE CAPITAL | | |
| <u>Authorised</u> | | |
| (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 |
| | 10800.00 | 10800.00 |
| <u>Issued, Subscribed & Paid up</u> | | |
| (i) <u>Equity Share Capital</u> | | |
| 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 |
| (ii) <u>Preference Share capital</u> | | |
| 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. Reconciliation of the numbers and amount of Equity Shares : | | |
| (i) <u>Equity Shares</u> | 31.03.2017 | 31.03.2016 |
| | Nos. Amount (Rs./Lakh) | Nos. Amount (Rs./Lakh) |
| Outstanding at beginning of the year | 12,748,457 1,274.85 | 12,748,457 1,274.85 |
| Add : Shares issued during the year | - - | - - |
| 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 : | 31.03.2017 | 31.03.2016 |
| | Nos Amount (Rs./Lakh) | Nos Amount (Rs./Lakh) |
| 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 |
| 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 31.03.2017 are Rs. 5993.47 Lakh (PY Rs. 5578.47 Lakh)
 - iv) Capital Redemption Reserve for redemption of Preference Shares is not be 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 31-03-2017 | | As at 31-03-2016 | |
|--|--------------------|--------------|--------------------|--------------|
| | 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 holder 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 31-03-2017 | | As at 31-03-2016 | |
|--|--------------------|--------------|--------------------|--------------|
| | 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 31.03.2017

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

(Rs. in lakh)

| | As at 31.03.2017 | As at 31.03.2016 |
|---|---------------------|---------------------|
| 3. RESERVES & SURPLUS | | |
| General Reserve | 1,549.71 | 1,610.88 |
| Provision for taxation of earlier years | — | (61.17) |
| | 1,549.71 | 1,549.71 |
| Securities Premium Account | 8,279.80 | 8,279.80 |
| Surplus/(Deficit) - | | |
| Opening balance | (4,050.51) | (4,553.08) |
| Profit/(Loss) for the year | (603.34) | 502.57 |
| Closing balance | (4,653.85) | (4,050.51) |
| | 5,175.66 | 5,779.00 |



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 - Refer Note 5(a) | – | 2.32 |
| Term Loan for Hypothecation purchase - Refer Note 5(b) | 87.56 | – |
| | <u>87.56</u> | <u>2.32</u> |

(a) **Term Loans from Banks**

Current portion of term loan from banks is shown as "Current maturities of term loan from banks" under the head "Current Liabilities"

(b) **Term Loan for Hypothecation purchase**

Term Loan for Hypothecation purchase is repayable in equated monthly instalments. Current portion for monthly equated instalments is shown as "Current maturities of term loan for Hypothecation purchase" under the head "Current Liabilities"

| Year of Repayment | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2020-21 |
|-------------------------|---------|---------|---------|---------|---------|
| Annual Repayment | 15.85 | 18.94 | 22.65 | 27.08 | 18.89 |
| Annual Rate of Interest | 18% | | | | |

6. OTHER LONG TERM LIABILITIES

| | | |
|---|--------------|--------------|
| Earnest Money Deposit from shops within hotel | 50.00 | 50.00 |
| Sundry Creditors for Capital Expenses | 48.66 | 48.64 |
| | <u>98.66</u> | <u>98.64</u> |

7. LONG TERM PROVISIONS

| | | |
|-------------------------------------|---------------|---------------|
| Provision for employees' benefits:- | | |
| -Gratuity (unfunded) | 104.68 | 93.83 |
| -Leave Encashment (Unfunded) | 60.40 | 54.75 |
| | <u>165.08</u> | <u>148.58</u> |

8. TRADE PAYABLES

| | | |
|---|---------------|---------------|
| Total outstanding dues of micro enterprises and small enterprises | – | – |
| Total outstanding dues other than of micro enterprises and small enterprises* | 876.27 | 721.01 |
| | <u>876.27</u> | <u>721.01</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.

9. SHORT TERM BORROWINGS

Secured Loan

| | | |
|--|-----------------|-----------------|
| Working capital loans from banks including interest thereon* | 1,122.55 | 1,018.84 |
| | <u>1,122.55</u> | <u>1,018.84</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. The amount paid by the secured lender to the working capital lender bank out of the alleged sale proceeds is disputed and not acknowledged . Pending adjudication, the interest is provided at the simple contracted rate. (Refer Note No. 10(B))

10. CURRENT LIABILITIES

| | | | |
|------|---|------------------|------------------|
| i | Current maturities of Non Convertible Debentures [Refer Note 10 (A)] | 10,000.00 | 10,000.00 |
| ii | Current maturities of term loans from financial institutions [Refer Note 10 (B)] | 11,368.91 | 11,368.91 |
| iii | Provision for Interest & redemption on secured borrowings -Disputed (Refer Note 10 (A) & 10(B)) | 12,153.47 | 10,504.98 |
| iv | Payable to Delhi International Airport Pvt. Ltd. (DIAL) for hotel project land (Refer Note 10 (D)) | 6,567.36 | 7,650.19 |
| v | Provision of Interest - Disputed (Refer Note 10 (E)) | 3,595.57 | 3,484.66 |
| vi | Current maturities of term loan from banks | 2.32 | 2.32 |
| vii | Current maturities of term loan for hypothecation purchase (Refer Note 5(b)) | 15.85 | |
| viii | Advance received from customers | 445.13 | 434.54 |
| ix | Payable for capital expenditures | – | 429.94 |
| x | Construction linked receipts for commercial space in the hotel | – | 9,355.33 |
| xi | <u>Statutory dues</u> | | |
| | - Tax deducted at source (TDS) | 74.82 | 62.06 |
| | - Income Tax | 56.58 | 75.04 |
| | - Indirect Taxes | 156.31 | 185.52 |
| | - Other Fees (Refer Note 10 (F)) | 360.34 | 360.34 |
| | <u>Employee benefits payable -</u> | | |
| | -Salaries & benefits | 132.53 | 174.92 |
| | -Provident fund /ESI | 19.01 | 16.34 |
| | -Bonus & incentives | 80.24 | 61.30 |
| xii | Other Payables (Refer Note 10 (G)) | 16,287.59 | – |
| xiii | Provisions for Expenses Payable | 616.19 | 489.03 |
| | | <u>61,932.22</u> | <u>54,655.42</u> |

**(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 and lenders of working capital limits. The Company has pledged 10,00,00,000 number of equity shares of its subsidiary company Silver Resort Hotel India Private Limited. Refer Note 13(b)
- (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, Neither provision for interest or redemption premium is made nor the Debenture Redemption Reserve created.

(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 Lakh) | Interest (in Lakh) | Period of default |
|---------------------------------------|-------------------------|------------------------|----------------------|
| Term Loan from financial institutions | 11,368.91 | – | up to 5 Years |
| Debentures | 10,000.00 | – | up to 4 Years |
| Provision for interest - Disputed | – | 12,153.47 | up to 6 Years |
| | <u>21,368.91</u> | <u>12,153.47</u> | |

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

During the preceding financial year, the allotment of hotel plot was allegedly terminated by DIAL by terminating Development Agreement & Infrastructure Development & Services Agreement due to non-payment of disputed amounts in respect of licence fees, advance development cost and interest thereon. The Company invoked an arbitration to settle the dispute with DIAL due to plot not being available for an immediate development, security concerns, pending pre-construction approvals etc. During the year, the Hon'ble Arbitral Tribunal allowed the release of deposit of Rs 550 Lakh with Hon'ble High Court of Delhi and also passed an interim order that the creation of any third party rights by DIAL in respect of the hotel plot shall be subject to the outcome of the final award which

is awaited. Separately, DIAL had filed a winding up petition against the Company which was challenged by the Company Silver Resort Hotel India Private Limited and the Hon'ble High Court was pleased to grant a stay in an appeal filed by the Company against the order of the single judge. Pending the Arbitral Award and Order of Hon'ble High Court, no provision for licence fee and interest on overdue payments after the date of the alleged termination.

- (E) Provision of interest includes an amount of Rs 110.91 Lakh (PY Nil) made during the year towards the claim of the Concept Design Architect Wimberley Allison Tong & Goo (UK) Ltd. ("WATG") which had invoked an arbitration against the Company seeking payment of alleged fees for project drawings not delivered with respect to the Delhi Hotel Project. The Appeal filed by the Company against the Sole Arbitrator Award has been dismissed and now the Company has filed a further appeal against the dismissal of the appeal by Single Judge before the Division Bench of Hon'ble Delhi High Court which is pending for adjudication. In the meanwhile, WATG has also filed an Enforcement Petition (EP) against the Company seeking execution of the award of the Sole Arbitrator. The EP is also pending adjudication.
- (F) Other fees represents fees, stamp duty & additional fee payable to Ministry of Corporate Affairs. Further, no provision for interest during the year amounting to Rs 41.11 Lakh (PY - Nil) has been made.
- (G) Other payables includes the amount received and amount spent by Co-developer "Blue Coast Infrastructure Development Private Limited" on behalf of the Company for implementing the hotel project at Delhi amounting to Rs 15639.46 Lakh. The Company Silver Resort Hotel India Private Limited being a Developer had entered into a Joint Development Agreement (JDA) in the year 2010 for co-developing, financing, marketing, leasing & sub-leasing of the commercial area within the hotel. The Developer was required to obtain the pre-construction approvals and the co-developer was required to provide the construction linked payments and share the project surplus. Based on the (JDA), the co-developer booked the commercial space within the hotel and executed Space Agreement & Assured Return Agreement with various unit holders. The Developer is a confirming party to the agreements executed with various unit holders. Due to delayed implementation of the hotel project and alleged termination of the hotel plot of land by DIAL, the Developer and the Co-developer have entered into an amendment agreement during the year to redefine their obligations. Under the amended agreement cum settlement deed, the consideration for the booking of the commercial space will continue to be maintained by the co-developer and the co-developer had sought the reimbursement of the project expenditure incurred in relation to the Delhi Hotel Project to the Company. The Co-developer will continue to contest the cases filed by the various unit holders and defend itself and the Developer in various litigations initiated by the Unit holders. Any amounts including but not limited to legal charges, incidental expenses, claims of the unit holders required to be paid by the Co-developer will be reimbursed by the Developer to the Co-developer. During the year, the Co-developer has submitted an account to the Developer for an amount spent of Delhi Hotel Project amounting to Rs 7957.36 Lakh upto March 31, 2017 and the same is acknowledged by the Developer. The said amount has been allocated in the Schedule of Fixed Assets of the Developer under the various accounting heads of Capital Works in Progress.

11. SHORT TERM PROVISIONS

| | | |
|--|--------------|---------------|
| Provision for Income Tax (MAT) | – | 102.73 |
| Provision for Taxation of earlier years | – | 61.17 |
| <u>Provision for Employees' benefits:-</u> | | |
| -Gratuity (unfunded) | 13.97 | 12.19 |
| -Leave Encashment (Unfunded) | 11.31 | 10.53 |
| | <u>25.28</u> | <u>186.62</u> |



12. FIXED ASSETS

| TANGIBLE ASSETS | | GROSS BLOCK | | | DEPRECIATION | | | | | CARRYING VALUE | | (Rs. in lakh) |
|--|-------------------|----------------|-----------------|-------------------|-------------------|-----------------|------------------------|-----------------|-------------------|-------------------|-------------------|---------------|
| Particulars | As at 01.04.16 | Addi- tions | Dedu- ctions | As at 31.03.17 | As at 01.04.16 | For the year | Capitalized to CWIP | Dedu- ctions | As at 31.03.17 | As at 31.03.17 | As at 31.03.16 | |
| Land and Site development - Land - Refer Note 13(a) | 41036.99 | - | 1,082.83 | 39,954.16 | - | - | - | - | 39954.16 | 41036.99 | | |
| - Site Development | 326.83 | - | - | 326.83 | - | - | - | - | 326.83 | 326.83 | | |
| Buildings | | | | | | | | | | | | |
| - Hotel | 15,831.95 | 3.06 | - | 15,835.01 | 3,159.56 | 246.56 | - | - | 3,406.12 | 12,428.89 | | |
| - Others | 20.42 | - | - | 20.42 | 6.80 | 0.32 | - | - | 7.12 | 13.30 | | |
| Plant and Equipment | 4,477.71 | 288.71 | 19.78 | 4,746.64 | 2,841.06 | 213.51 | 0.25 | 3.52 | 3,051.30 | 1,695.34 | | |
| Electrical Installations | 809.37 | 6.07 | - | 815.44 | 678.19 | 20.72 | - | - | 698.91 | 116.53 | | |
| Furniture's & Fixtures - Hotel | 1,599.57 | 14.84 | - | 1,614.41 | 1,410.12 | 76.92 | - | - | 1,487.04 | 127.37 | | |
| Furniture's & Fixtures - Others | 108.06 | 0.27 | - | 108.33 | 99.30 | 0.73 | - | - | 100.03 | 8.30 | | |
| Vehicles | 379.34 | 12.12 | - | 391.46 | 280.55 | 35.27 | - | 2 | 315.82 | 75.64 | | |
| Office Equipments | 59.50 | 1.10 | - | 60.60 | 52.04 | 1.28 | - | - | 53.32 | 7.28 | | |
| Operating Equipment | 509.07 | 39.67 | - | 548.74 | 251.85 | 37.67 | 0.05 | - | 289.57 | 259.18 | | |
| Computers | 164.25 | 17.70 | - | 181.95 | 71.50 | 23.86 | 0.61 | - | 95.97 | 85.98 | | |
| Total | 65,323.06 | 383.54 | 1,102.61 | 64,603.99 | 8,850.97 | 656.84 | 0.91 | 3.52 | 9,505.20 | 55,098.79 | 56,472.09 | |
| Previous Year | 63,419.50 | 3,020.95 | 1,117.38 | 65,323.06 | 9,366.90 | 599.91 | 0.99 | 1,116.83 | 8,850.97 | 56,472.09 | - | |

INTANGIBLE ASSETS

| | | | | | | | | | | |
|--------------------------|---------------|--------------|---|---------------|--------------|-------------|---|---|--------------|---------------|
| Preliminary Expenses | 487.95 | - | - | 487.95 | - | - | - | - | 487.95 | 487.95 |
| Computer Software | 88.97 | 63.47 | - | 152.44 | 82.03 | 6.17 | - | - | 88.20 | 6.94 |
| Total | 576.92 | 63.47 | - | 640.39 | 82.03 | 6.17 | - | - | 88.20 | 494.89 |
| Previous Year | 483.12 | 93.80 | - | 576.92 | 76.76 | 5.27 | - | - | 82.03 | 494.89 |

CAPITAL WORK-IN-PROGRESS

| | | | | | | | | | | |
|--------------------|------------------|-----------------|-----------------|------------------|-----------------|---------------|-------------|-------------|------------------|------------------|
| CWIP | 6,704.25 | 9,256.10 | - | 15,960.35 | - | - | - | - | 15,960.35 | 6704.25 |
| Previous Year | 7,132.24 | 913.26 | 1,341.26 | 6,704.25 | - | - | - | - | 6,704.25 | - |
| Grand Total | 72,604.23 | 9,703.11 | 1,102.61 | 81,204.73 | 8,933.00 | 663.01 | 0.91 | 3.52 | 9,593.40 | 63,671.23 |
| Previous Year | 71,034.86 | 4,028.01 | 2,458.64 | 72,604.23 | 9,443.66 | 605.18 | 0.99 | 1,116.83 | 8,933.00 | 63,671.23 |

Capital work-in -progress includes-

| | 01.04.2016 | Additions During the year (Refer Note 12 (a) b) & (c) | Transfer | 31.03.2017 |
|--------------------------------|-----------------|---|-----------------|------------------|
| Interest during implementation | 845.19 | (10.28) | 6,647.06 | 7,481.97 |
| Legal & Professional Fees | 183.52 | (192.22) | 8.70 | – |
| Preoperative Expenses | 908.72 | 196.05 | 858.00 | 1,962.77 |
| Taxes & Duties | – | 551.54 | 424.66 | 976.20 |
| Building under construction | 4,467.33 | 636.59 | – | 5,122.86 |
| Capital projects at Goa | 46.20 | 149.81 | (32.75) | 163.26 |
| Capital projects at Chandigarh | 253.29 | – | – | 253.29 |
| Closing Balance | 6,704.25 | 1,350.43 | 7,905.67 | 15,960.35 |

- (a) The Hotel Plot has been allegedly terminated by DIAL and the Company Silver Resort Hotel India Private Limited has invoked an Arbitration. The investment in fixed assets by the Company Silver Resort Hotel India Pvt Ltd is subject to the outcome of the arbitration award which is awaited. [Refer Note 13(a)]
- (b) During the year, the Company Silver Resort Hotel India Private Limited has entered into an Amendment Agreement to the Joint Development Agreement with the Co-developer and pursuant to this Agreement, the Co-developer has transferred the expenditure incurred by it in relation to the Delhi Hotel Project and the same is shown under the head " Capital Works-in-Progress" pending reconciliation
- (c) Taxes and duties include a sum of Rs 424.66 Lakh paid against the demand notice of Rs 2112.22 Lakh which is shown under the head " Contingent Liability" [Refer Note-12 (e)]



| | (Rs. in Lakh) | |
|--|---------------------|---------------------|
| | As at 31.03.2017 | As at 31.03.2016 |
| 13 NON- CURRENT INVESTMENTS | | |
| A. Other Investments (At Cost Unless Stated Otherwise) | | |
| (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 Lakh (P.Y. Rs.19.61 Lakh)) | | |
| (b) Unquoted | | |
| (i) 15600 (P.Y.15600) Equity Shares of Rs.10/- each fully paid up of Joy Hotel & Resorts Pvt Ltd - Refer Note 13(c) | 4,275.02 | 4,275.00 |
| (ii) 4020 (P.Y. 4020) Equity Shares of Rs.50/- each fully paid up of Dombvli Bank Ltd | 2.01 | 2.01 |
| | <u>4,278.25</u> | <u>4278.23</u> |
| Aggregate amount of quoted investment | 1.22 | 1.22 |
| Aggregate amount of unquoted investment | 4,277.03 | 4,277.01 |
| (a) Silver Resort Hotel India Private Limited was implementing a hotel project at Delhi on a plot of land allotted by DIAL which has been allegedly terminated by DIAL. The subsidiary company Silver Resort Hotel India Private Limited has challenged the alleged termination and invoked an arbitration proceedings. Further, a winding up petition was filed at the High Court against the subsidiary company Silver Resort Hotel India Private Limited and the Hon'ble High Court has granted a stay on the winding up proceedings in an appeal filed by the Company. Pending the Arbitral Award and disposal of appeal, the provision for diminution in value of investments has not been made by the company during the year. | | |
| (b) 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. Refer Note 10(A) & 10(B) | | |
| (c) All 15,600 equity share of Rs. 10/- each fully paid up of Joy Hotel & Resorts (P) Limited are pledged with term lenders for securing the term loans, interest & other charges payable thereon as availed by the Joy Hotel & Resorts Pvt Ltd for its upcoming five star hotel project at Chandigarh. | | |
| 14. LONG TERM LOANS AND ADVANCES | | |
| (Unsecured, considered good) | | |
| Capital Advances | 7.34 | 446.46 |
| Site Development Advances | – | 16.54 |
| Security Deposits | <u>110.71</u> | <u>101.65</u> |
| | <u>118.05</u> | <u>564.65</u> |

(Rs. in Lacs)

| | As at 31.03.2017 | As at 31.03.2016 |
|---|---------------------|---------------------|
| 15. CURRENT INVESTMENT | | |
| Investments in Mutual Funds | | |
| Non Trade Investments | | |
| <u>Quoted</u> | | |
| 43.007 Units (PY - 43.007 Units) of Birla Sun Life Cash Plus [Market value Rs 260.51 (PY Rs. 242.77) per unit] | 0.10 | 0.10 |
| 4.828 Units (PY - 4.828 Units) of DSP Black Rock Mutual Fund Collection Account [Market value Rs 2318.11 (PY Rs. 2162.16) per unit] | 0.10 | 0.10 |
| 4.623 Units (PY - 4.623 Units) of Franklin Templeton MF High Value Collection Account [Market value Rs 2426.05 (PY Rs. 2289.48) per unit] | 0.10 | 0.10 |
| 3.306 Units (PY - 3.306 Units) of HDFC Cash Management Fund-Savings Plan-Growth [Market value Rs 3379.23 (PY Rs. 3154.79) per unit] | 0.10 | 0.10 |
| 46.640 Units (PY - 46.640 Units) of ICICI Prudential Liquid - Regular Plan - Growth [Market value Rs 240.16 (PY Rs. 223.85) per unit] | 0.10 | 0.10 |
| 3.4019 Units (PY - 3.4019 Units) of Kotak Liquid Scheme Plan A - Growth [Market value Rs 3290.64 (PY Rs. 3106.36) per unit] | 0.10 | 0.10 |
| 2.833 Units (PY - 2.833 Units) of Reliance Liquid Fund - Treasury Plan - Growth [Market value Rs 3953.98 (PY Rs. 3685.50) per unit] | 0.10 | 0.10 |
| 21.959 Units (PY - 21.959 Units) of SBI Premier Liquid Fund - Regular Plan - Growth [Market value Rs 2545.69 (PY Rs. 2376.08) per unit] | 0.50 | 0.50 |
| 3.743 Units (PY - 3.743 Units) of Tata Liquid Fund - Regular Plan - Growth [Market value Rs 2989.89 (PY Rs. 2789.43) per unit] | 0.10 | 0.10 |
| 9,590.36 Units (PY - 28,736.384) of UTI Liquid - Cash Plan- Institutional - Growth (Market value Rs. 2,655.9496 (PY Rs. 2,476.65) per unit) | 254.72 | 700.01 |
| | 256.02 | 701.31 |
| Aggregate value of quoted investment | 256.02 | 713.45 |
| Aggregate market value of quoted investment | 256.17 | |
| Investments are stated at cost of acquisition. | | |



| | (Rs. in Lacs) | |
|---|---------------------|---------------------|
| | As at 31.03.2017 | As at 31.03.2016 |
| 16. INVENTORIES | | |
| (At cost or Net Realizable Value whichever is lower) | | |
| Stores & Spares | 126.02 | 1,190.79 |
| Operating Inventories | 176.60 | 146.80 |
| | <u>302.62</u> | <u>1,337.59</u> |
| The inventory has been taken, valued and certified by the management. | | |
| 17. TRADE RECEIVABLES | | |
| Trade receivables outstanding for a period exceeding six months | | |
| Unsecured - | | |
| considered good | 9.58 | 24.12 |
| considered doubtful | - | 0.60 |
| Less : Allowance for doubtful debts | - | (0.60) |
| | <u>9.58</u> | <u>24.12</u> |
| Other Debts | | |
| Unsecured - | | |
| considered good | 954.32 | 548.28 |
| | <u>963.90</u> | <u>572.40</u> |
| 18. CASH AND CASH EQUIVALENTS | | |
| Balances with banks | | |
| i) Current Accounts | 95.17 | 122.38 |
| ii) Bank Balances held as - | | |
| - Fixed Deposit | 912.54 | 7.78 |
| Cash in hand | 15.27 | 20.20 |
| | <u>1,022.98</u> | <u>150.36</u> |
| 19. SHORT TERM LOANS AND ADVANCES | | |
| (Unsecured, considered good) | | |
| Capital Advances for extension of hotel - Refer Note 19 (a) | 3,531.45 | 2,250.00 |
| Amount with High Court of Delhi towards Delhi Hotel | 0.24 | 550.00 |
| Project land - Refer Note 19 (b) & 13(a) | | |
| Balance with Revenue Authorities | 965.96 | 1,148.79 |
| Input on Service Tax - Refer Note 19 (c) | - | 550.45 |
| Advances with Suppliers & Others | 301.03 | 717.57 |
| Loans & advances to employees | 34.94 | 20.53 |
| | <u>4,833.62</u> | <u>5,237.34</u> |

| | (Rs. in Lacs) | |
|---|---------------------|---------------------|
| | As at 31.03.2017 | As at 31.03.2016 |
| (a) The amount represents paid to the Co-developer for improvement of existing room inventory, development of additional rooms for increasing the room inventory and banquet facilities within the hotel. | | |
| (b) Represent balance amount of interest on deposit with Delhi High Court | | |
| (c) Represents credit available against output services on commencement of commercial operations and subject to compliance with Cenvat Credit Rules 2004 | | |
| 20. OTHER CURRENT ASSETS | | |
| Interest on fixed deposits accrued but not due | 0.15 | 0.95 |
| | <u>0.15</u> | <u>0.95</u> |

20 Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016

| Description | Specified Bank Notes | Other Denomination | Total Notes |
|---------------------------------------|-------------------------|-----------------------|----------------|
| Closing Cash in hand as on 08.11.2016 | 4,754,000 | 360,860 | 5,114,860 |
| (+) Permitted Receipts | - | - | - |
| (-) Permitted payments | - | - | - |
| (-) Amount Deposited in Banks | 4,754,000 | 5,740 | 4,759,740 |
| Closing Cash in hand as on 30.12.2016 | - | 424,536 | 424,536 |

| | (Rs. in Lacs) | |
|--|---------------------|---------------------|
| | As at 31.03.2017 | As at 31.03.2016 |

**22. CONTINGENT LIABILITIES AND COMMITMENTS
(TO THE EXTENT NOT PROVIDED FOR)**

a) Contingent Liabilities

Guarantees

| | | |
|---|----------|----------|
| - For securing loans of upcoming hotel project at Chandigarh related to associate company (Refer Note 22(a)) | 6,500.00 | 6,500.00 |
| - For operation of the company | 17.12 | 17.12 |

b) Commitments

| | | |
|---|------|----------|
| - Estimated amount of contracts remaining to be executed on capital account | 0.09 | 9,821.34 |
|---|------|----------|

c) Other money for which company is contingently liable

| | | |
|--|----------|----------|
| - Disputed Claim for buy-back of equity share capital with return on investment in subsidiary company Silver Resort Hotel India Private Limited. [Refer Note 22 (b)] | 8,500.00 | 8,500.00 |
|--|----------|----------|



| | (Rs. in Lacs) | |
|--|------------------|------------------|
| | As at | As at |
| | 31.03.2017 | 31.03.2016 |
| -Disputed Claim for non performance of obligations by Subsidiary Company Golden Joy Hotel (P) Limited (Refer Note 22 (c)) | 1,031.18 | 1,031.18 |
| - Assured Return to Unit holders - Refer Note (22 (d)) | - | 4,964.91 |
| - On account of booking of commercial space in the Hotel by Co-developer - Refer Note (22(d)) | 17,857.87 | 19,398.52 |
| Claim for reimbursement of expenses | - | 354.60 |
| - Dividend on cumulative preference shares | | |
| 10% cumulative redeemable preference shares | 5,993.47 | 5,578.47 |
| - Income Tax Matters | - | 1.16 |
| - Show Cause Notice from Service Tax Department - Refer Note (22 (e)) | 2,112.22 | 2,112.22 |
| - Delhi International Airport Private Limited for Interest | - | 1,511.57 |
| | <u>42,011.95</u> | <u>59,791.09</u> |

- (a) Joy Hotel & Resorts Private Limited has achieved a One Time Settlement with its secured lenders which had initiated recovery proceedings against it under SARFAESI Act, 2002. Further, the Hon'ble High Court was pleased to stay the auction of the plot by the Estate Office which had resumed the plot due to default in the payment of change of land use / conversion fee.
- (b) The financial institution from which the company had taken term loan had 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 Lakh. The company had executed Buy-back agreements on joint & several basis with the erstwhile directors. Till the buy back of entire equity is completed, IFCI Limited has a first charge basis on "Park Hyatt Goa Resort & Spa" Hotel property of the company situated at 263C, Arossim, 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 8500.00 Lakh alongwith simple assured return on the investment @ 23% per annum (disputed) w.e.f. date of agreement dated 12.03.2010. The recall / claim is contested due to non-fulfilment of the obligations undertaken by the financial institution.
- (c) The Subsidiary Company Golden Joy Hotel Resort Private Limited was in the process of setting up a hotel in Amritsar on a plot of land taken from Punjab Urban Planning and Development Authority (PUDA) on a lease for a period of sixty years. Due to pending pre-construction approvals including building plan, the civil construction could not be commenced resulting in PUDA filing the claims against the Company for Rs 1031.18 Lakh (PY Rs 1031.18 Lakh) alongwith interest thereon which is being contested.

(Rs. in Lacs)

| | As at 31.03.2017 | As at 31.03.2016 |
|--|---------------------|---------------------|
| (d) During the year, as per the Amended Joint Development Agreement between Developer & Co-Developer and pending litigation between Co-developer & Unit Holders, no provision has been made for the assured return and the amount is unascertained - Refer Note 10 (G) | | |
| (e) Service tax will be recoverable from the respective unit holder of the booking of the commercial space within the hotel. | | |
| 23. <u>REVENUE FROM OPERATIONS</u> | | |
| Room Income | 8,739.40 | 7,592.71 |
| Provisions & Beverages | 2,739.79 | 2,270.61 |
| Wine and liquor | 1,230.92 | 1,020.13 |
| Communications | 1.81 | 2.49 |
| Others | 553.98 | 666.79 |
| | <u>13,265.90</u> | <u>11,552.73</u> |
| 24. <u>OTHER INCOME</u> | | |
| Interest Income | 10.85 | 0.77 |
| Dividend received on non-trade investments | 1.00 | 0.66 |
| Miscellaneous Income | 101.41 | 51.02 |
| | <u>113.26</u> | <u>52.45</u> |
| 25. <u>COST OF MATERIALS, STORES & SUPPLIES</u> | | |
| Trade receivables outstanding for a period exceeding six months | | |
| Opening Stock | 1190.79 | 1498.37 |
| Add : Purchases | 337.56 | 406.46 |
| | <u>1528.35</u> | <u>1904.83</u> |
| Less: Closing Stock | 126.02 | 1190.79 |
| Total (a) | <u>1,402.33</u> | <u>714.04</u> |
| Unsecured - | | |
| Opening Stock | 146.80 | 155.03 |
| Add : Purchases | 1,337.82 | 963.23 |
| | <u>1,484.62</u> | <u>1118.26</u> |
| Less: Closing Stock | 176.60 | 146.80 |
| (a) Total (b) | <u>1,308.02</u> | <u>971.46</u> |
| Total (a+b) | <u>2,710.35</u> | <u>1,685.51</u> |


26. EMPLOYEE BENEFITS EXPENSE

| | | |
|--|-----------------|-----------------|
| Salaries and Wages | 1,974.11 | 1,797.60 |
| Gratuity & Leave Encashment | 51.36 | 63.04 |
| Contribution to provident fund and ESI | 113.26 | 114.45 |
| Staff Welfare | 460.96 | 402.65 |
| | <u>2,599.69</u> | <u>2,377.74</u> |

27. FINANCE COST

| | | |
|-------------------------------------|-----------------|-----------------|
| Finance Cost on operations | | |
| Interest | 638.55 | 632.04 |
| Bank charges | 10.94 | 47.03 |
| Finance Cost on Investments | | |
| Interest | 1,805.00 | 1,160.00 |
| Premium on redemption of debentures | - | - |
| | <u>2,454.49</u> | <u>1,839.07</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 in view of Note 10(B), the Interest on term loan from financial institution is provided at simple contracted rate of interest.

28. OTHER EXPENSES

| | | |
|------------------------------------|-----------------|-----------------|
| Telephone | 26.79 | 26.01 |
| Power & Fuel | 790.60 | 728.18 |
| Rent | 56.08 | 51.74 |
| Repairs to buildings | 79.82 | 73.06 |
| Repairs to machinery | 544.49 | 571.75 |
| Insurance | 27.81 | 44.10 |
| Rates and Taxes | 8.02 | 5.45 |
| Auditors Remuneration | 29.33 | |
| Legal and Professional Expenses | 1,018.24 | 665.32 |
| Travelling Expenses | 216.75 | 150.63 |
| Selling and Advertisement Expenses | 989.45 | 915.33 |
| Management fees | 901.72 | 775.57 |
| Printing & Stationery | 59.28 | 50.07 |
| Loss on sale of Fixed Assets | - | 0.06 |
| Miscellaneous Expenses | 867.75 | 537.84 |
| | <u>5,616.13</u> | <u>4,595.11</u> |

29 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.

30 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.

31 In the opinion of management, there is no impairment condition exists as on 31st March, 2017. 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. | Associate Company | Nil | |
| 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 | | |
| b. Transaction with Related parties | | Nature of transaction | Amount (Rs. in Lakh) |
| ii. | Key Management Personnel | Remuneration / Perquisites | 81.45 |
| | | Closing balance as on 31.03.2017 (Payable) / Recoverable | (8.83) |
| | | Maximum balance outstanding during the year | (8.83) |
| | | | |
| 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 | - |
| | | Closing Balance as on 31.03.2017 (Payable) / Recoverable | - |
| | | Maximum balance outstanding during the year (Payable) / Recoverable | - |

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

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 24th 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 2017 | | |
| 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. | To appoint the Statutory Auditors and fix their remuneration. | | |

Signed this day of 2017.

Signature of Shareholder:

Affix
Revenue
Stamp

NOTES:

- 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.
- 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.
- 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.



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

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

| | |
|---|---|
| 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 24th Annual General Meeting of the Company to be held at 263C, Arossim Cansaulim, Goa-403712, India on Thursday 28th September 2017 at 10.00 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
CIN: L31200GA1992PLC003109;
Website: www.bluecoast.in; **E-mail Id:** investorrelation@bluecoast.in;
Tel. No.: +91 8322721234, **Fax:** +91 8322721235

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,

Sushil Suri

(Chairman & Managing Director)

DIN 00012028

E-COMMUNICATION REGISTRATION FORM

Folio No. /DPID & Client ID:

Name of the 1st Registered Holder:

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

Registered Address:

.....

E-mail ID (to be registered):Mob./Tel. No.:

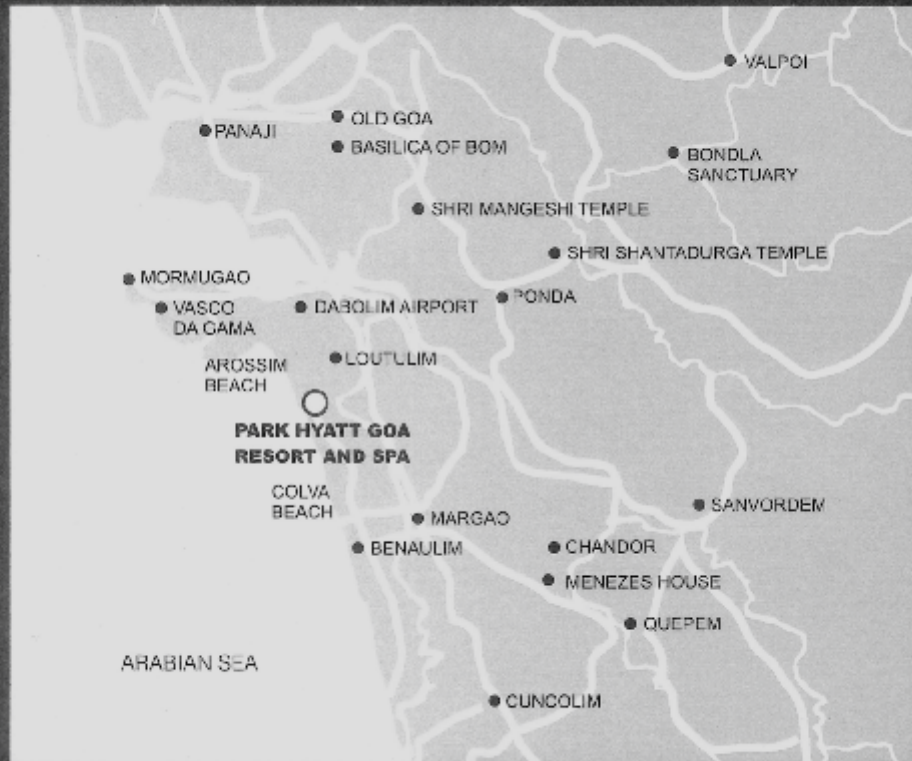
.....I/We shareholder(s) of Blue Coast Hotels Limited hereby agree to receive communications from the Company in electronic mode. Please register my above E-mail ID in your records for sending communications in electronic form.

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.: +91-11-23358774-775 Fax : +91-11-23358776

Regd. Office : 263C, Arossaim, Canasaulim, Goa – 403712 INDIA Tel.: + 91-832-2721234 Fax : +91-832-2721235

