

Annual Report 2017-18

**Blue Coast**  
Hotels Ltd.

PARK HYATT GOA®

RESORT AND SPA





## Crafting experiences to treasure

*Magic ... mystery ... memories ... that's the call of India, a call that's hard to resist and even harder to define. This ancient land is a treasure-trove of surprises that never cease to astonish. As a captivating cauldron of colours, cultures and experiences, she unravels her throbbing heart to the seeking soul even as she delights visitors with her vibrant charm, enduring grace and calming embrace.*

*At Blue Coast Hotels Ltd., we take pride in capturing the multi-faceted dimensions of this great land and strive to celebrate her exotic spirit in all that we do. Through our properties and services we have sincerely endeavoured to keep alive India's treasured facets, fragrances and flavours while crafting recipes of perfection, refining the benchmarks of excellence and redefined the very dimensions of hospitality.*









*Late Shri P. L. Suri*

## *The extraordinary legacy continues*

*The undying legacy of Shri P. L. Suri lives on at Blue Coast through his wise words that reverberate in every heart and his spirited existence that finds echo amongst us and in all that we do.*

*As our Chairman and Managing Director, Shri P. L. Suri's never lost an opportunity to demonstrate the virtues of being committed to teamwork and excellence. Likewise, we at Blue Coast, use every opportunity to mirror his virtues of extraordinary righteousness, humility, leadership and zero-compromise enterprise.*

*At Blue Coast, Shri P. L. Suri's vision will remain the mirror to evaluate our everyday endeavours and be the inspiration behind our professional philosophy for all times to come.*





*Late Shri Arun Suri*

## *Keeping alive a beautiful dream*

*Deliberate practice can open the door to a world of possibilities that one may have believed were out of reach. Shri Arun Suri had opened that door for his people by dreaming big and beautiful.*

*Under his extraordinary leadership, he stretched his own capabilities and of his team that made Park Hyatt, Goa one of the finest resorts and spas of all time. This was a man who considered “excellence” as a way of living and set standards by his impeccable hospitality and vision of perfection.*

*Shri Arun Suri’s wisdom continues to guide many even today. The path of dedication & cooperation he exemplified still forms the heartbeat of the company just as his pre-eminent aura lives on amongst the Blue Coast family...*



# CONTENTS

Notice	03
Directors' Report	10
Corporate Governance Report	53
Auditors' Report	73
Balance Sheet	81
Statement of Profit & Loss	82
Cash Flow Statement	83
Notes on Financial Statements	94
Auditors' Report on Consolidated Financial Statements	115
Consolidated Financial Statements	121
Proxy Form	148
Route Map to the AGM Venue	153

**Board of Directors**

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

**Executives**

Mr. Dilip Bhagtani  
Chief Financial Officer &  
Company Secretary

**Auditors**

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 2721238

**Corporate Office**

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

**Registrar & Share Transfer Agent**

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

**Secretarial Auditor**

Prem Chand Goel  
Company Secretary

## Notice

NOTICE is hereby given that the 25<sup>th</sup> **Annual General Meeting** of the members of **Blue Coast Hotels Limited** will be held on **Thursday 9<sup>th</sup> August, 2018 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 31<sup>st</sup> March, 2018 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. Sushil Suri (DIN 00012028), Chairman & Managing Director, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

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

#### APPOINTMENT OF MRS. SHALU SURI AS A NON-EXECUTIVE DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder, Mrs. Shalu Suri (DIN 00287695), who was appointed as an Additional Director of the Company by the Board of Director with effect from 12<sup>th</sup> October, 2017 and who hold office till the date of this Annual General Meeting in term of Section 161 of Companies Act, 2013, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

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

Place: New Delhi  
Date: 14.07.2018  
CIN: L31200GA1992PLC003109

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



## Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM TO BE EFFECTIVE SHALL BE DULY STAMPED, SIGNED AND COMPLETED IN ALL RESPECT, MUST REACH THE COMPANY'S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE TIME OF THE MEETING.** A person cannot act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 03<sup>rd</sup> August, 2018 to Thursday, 9<sup>th</sup> August, 2018 (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 thereunder, 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 25<sup>th</sup> Annual General Meeting and the Annual Report for 2018 will also be available on the Company's website [www.bluecoast.in](http://www.bluecoast.in). The Notice of AGM shall also be available on the website of NSDL viz. [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their de-mat accounts. Members holding shares in physical form can submit their PAN to the RTA 'RCMC Share Registry Pvt. Ltd. ("RCMC")
9. Members/Proxies are requested to bring their copy of Annual Report to the Meeting. Members/Proxies should fill the attendance slip for attending the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those hold shares in Physical forms are requested to write their Folio Number in the attendance slip for attending the meeting.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Corporate members intending to send their Authorised Representative are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting
12. Members are requested not to bring any article, briefcase, hand bag, carry bag etc., as the same will not be allowed

- to be taken inside the auditorium/hall for security reasons. Further, the Company or any of its officials shall not be responsible for their articles, bags etc., being misplaced, stolen or damaged at the Meeting place.
13. Members are requested to send their queries, if any, on the accounts and operations of the Company to the management of the Company at least 10 days before the Annual General Meeting.
  14. The Notice of AGM along with the Annual Report 2017- 18 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 25<sup>th</sup> Annual General Meeting of the Company by electronic means on all resolutions set forth in this Notice, through e-voting services provided by NSDL. The Members, whose name appears in the Register of Members, holding shares in physical or in dematerialised form, as on the Record Date i.e. Thursday, 2<sup>nd</sup> August, 2018 (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, 6<sup>th</sup> August, 2018 and will end at 5:00 P.M. on Wednesday, 8<sup>th</sup> August, 2018, 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:-

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

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

**Details on Step 1 is mentioned below :**

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

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

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

## 4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

## 5. Your password details are given below :

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:****How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.



3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to peceegoel@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

**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, 6<sup>th</sup> August, 2018 and will end at 5:00 P.M. on Wednesday, 8<sup>th</sup> August, 2018, (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 Thursday, 02<sup>nd</sup> August, 2018 (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 25<sup>th</sup> AGM of the Company on Thursday 09<sup>th</sup> August, 2018 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: 14.07.2018  
CIN: L31200GA1992PLC003109

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

## EXPLANATORY STATEMENT

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

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 3 of the accompanying Notice.

#### Item No. 3

The Nomination & Remuneration Committee has recommended the appointment of Mrs. Shalu Suri as Director of the Company liable to retire by rotation.

The Company has received from Mrs. Shalu Suri, the following disclosures as per the relevant provisions of the Companies Act, 2013:-

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

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mrs. Shalu Suri, to the extent of her appointment, are deemed to be, concerned or interested, financially or otherwise, in the resolution.

#### Details of Directors seeking appointment:

<b>Name of Director</b>	<b>Mrs. Shalu Suri</b>
Date of Birth	21.08.1972
Date of Appointment in the Company	12.10.2017
Qualification	Graduation in Arts from Government College for Girls Chandigarh, Two years Diploma Course in Computers and Diploma Course in Textile Designing
Date of last Re-appointment	N.A
Expertise in specific functional areas	She is a teacher at "Art of Living" a non-profit organisation management, Chandigarh Centre, since August 2014 and also associated with another Non-Government Organisation (NGO) "Pankh" Pankh renders the services for the relief for poor and it's an initiative to provide low-cost sanitary napkins to women in the vicinity of Parwanoo (H.P.) in order to improve women's health & hygiene.

No. of equity shares held in the Company	Nil
Other Directorship (excluding Foreign)	1
Memberships/Chairmanships of Committees of other Companies (includes only Audit Committee and Shareholder/Grievance Committee)	<ul style="list-style-type: none"><li>• Silver Resort Hotel India Pvt. Ltd.</li></ul>
DIN	00287695

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

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

Place: New Delhi  
Date: 14.07.2018  
CIN: L31200GA1992PLC003109

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



## DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their 25<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

### FINANCIAL HIGHLIGHTS

(₹ in Lakh)

PARTICULARS	Consolidated		Standalone	
	2016-17	2017-18	2016-17	2017-18
Revenue from Operations	13265.90	13489.24	13265.90	13489.24
Expenses	(10926.17)	(10696.70)	(10925.58)	(10696.22)
Depreciation	(663.01)	(674.40)	(663.01)	(674.42)
Profit from Operations before Finance Cost & Tax	1676.72	1894.80	1677.31	2118.60
Other Income	113.26	143.06	113.26	143.06
Profit before Interest & Tax	1789.98	2037.86	1780.57	2261.66
Interest / Finance Charges – Operation	(649.49)	(433.52)	(649.49)	(433.52)
Operating Profit before Tax	1140.49	1604.34	1131.08	1828.14
Interest / Finance Charges - New Hotel Projects	(1805.00)	(1990.90)	(1805.00)	(1990.90)
Profit (Loss) before Tax	(664.51)	(386.56)	(663.92)	(162.76)
Tax Expense Prior Period	61.17	–	61.17	–
Profit (Loss) after Tax	(603.34)	(386.56)	(602.75)	(162.76)
Share of Minority interest in Profit/Loss	–	–	–	–
Net Profit/(Loss) for the Year available for majority shareholders	(603.34)	(386.56)	(602.75)	(162.76)

### INDIAN ACCOUNTING STANDARDS (Ind AS)

The financial statements for the year ended March 31, 2018 has been prepared in accordance with India Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 together with the comparative period data as at and for the previous year ended March 31, 2017. Further, the Company has prepared the opening consolidated balance sheet as at April 1, 2016 (the transition date) in accordance with ind AS.

### OPERATIONS

The Revenue from Operations has registered a growth of 1.68% during the year as compared to the previous year however the profit before interest and tax has been increased to Rs2261.66 Lakh as compared to Rs. 1790.56 Lakh due effective cost management and increase in revenue.

During the year, the Hon'ble Supreme Court of India allowed the Special Leave Petitions filed by the secured creditor and auction purchaser against the judgement of the Hon'ble High Court of Bombay which had set aside the auction of the Hotel Park Hyatt Goa Resort & Spa. The Hon'ble Supreme Court of India has directed the Company and its agents to handover the possession of the hotel to the auction purchaser within six months alongwith the relevant accounts. The Company has filed a Review Petition against the judgement of the Hon'ble Supreme Court of India. The Company is exploring the legal remedies and or options available to it to safeguard the interest of the shareholders.

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
2018	Asia Spa GeoSpa - Hall of Fame for Sereno Spa	Best Destination Spa
2017	Travel + Leisure	India's Best Luxury Resort (#1)
2017	India Hospitality F&B Pro – Goa's Best 2017	Relaxing Ambience – 5 Star South – Park Hyatt Goa Resort and Spa
2017	Rocheston -Distinguished Restaurant Awards	Palms
2017	Experiential Venues Awards	Best Venue for Corporate Incentives – Destination India
2017	Distinguished Restaurant Awards	Wedding Destination
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)

#### **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, 2018.

#### **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 authorization granted in the Annual General Meeting dated 30<sup>th</sup> September 2002 and the allotment made in the Board Meeting dated 30<sup>th</sup> 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 were due for redemption in October, 2017.

The provision of section 55 read with section 123 of the Companies Act, 2013 have placed statutory restrictions on the company from redeeming its preference shares or paying any dividend thereof, in view of the company not having

profits available for distribution as dividends or for redemption of preference share. Therefore, the Board in terms of Section 48 and 55 of the Companies Act, 2013 approached the Preference Shareholders as well as equity Shareholders and extended the tenure of the Preference Shares by a further period of 15 years and the said shares would be due for redemption in October 2032.

The shares issued by Company continued to be listed at following Stock Exchanges as at March 31, 2018:

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 2017-18.

### **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, Two Non-executive Director (including one-woman director) and four Independent Directors.

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. Sushil Suri, the Chairman & Managing 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 5 (Five) 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 31<sup>st</sup> January, 2018, 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, 2018, the Board consists of 7 Directors comprising a Chairman and Managing Director, two Non-executive Director(including one-woman director) and Four Independent Directors. The Board periodically evaluates the need for change in its composition and size.

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

## **INDEPENDENT DIRECTORS TRAINING/MEETING**

During the year under review a separate meeting of the Independent Directors of the Company was held on 31<sup>st</sup> January, 2018, 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](http://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, 2018, 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 2017-18 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, 2018, 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 audit committee of the Company has on 9th 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 29<sup>th</sup> Annual General Meeting to be held in 2022. The Second year of audit will be of the financial statements for the year ending March 31, 2019, which will include the audit of the quarterly financial statements for the year.

## EXPLANATION TO AUDITOR'S REPORT

### On Matters of Emphasis on Statutory Auditor's Report

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

- i. Note No. 17 (B) The Company has filed a Review Petition before the Hon'ble Supreme Court of India against the judgement dated 19.03.2018 setting aside the order of the Hon'ble High Court of Bombay dated 23.03.2015 and thereby upholding the sale of the hotel property at Goa . The Review Petition is pending for disposal before the Hon'ble Supreme Court of India. The outcome may have the material impact as a going concern. The Hotel Property continues to be operated under the brand "Park Hyatt Goa Resort & Spa" and maintained under the management agreement with Hyatt International.
- ii. Note 2 (ii) Capital Works in Progress includes amounts incurred by the Company for the Delhi Aerocity Hotel Project (Rs 3449.67 Lakh) and Chandigarh Hotel Project (Rs 846.95 Lakh)
- iii. Note 3(i) During the year, Silver Resort Hotel India Private limited, the subsidiary of the Company, has filed an appeal before the Hon'ble High Court of Delhi challenging the alleged termination of the Development Agreement and Infrastructure Development Services Agreement. Pursuant to the Arbitral Tribunal Award, DIAL has deposited a sum of Rs 7698.66 Lakh with the Hon'ble High Court of Delhi in a representative suit filed by the unit holders of the Aerocity Hotel Project. Further, DIAL has also filed a winding up petition against the Company for recovery of Rs 9588.97 Lakh towards the licence fee, advance development cost and interest etc thereon which was challenged by the Company before the Hon'ble High Court 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 disposal of the Appeals, no provision for licence fee and interest on overdue payments has been made after the date of alleged termination.

- iv. Note 3(iii) The shareholding held by the Company in Joy Hotel & Resorts Private Limited is pledged with the bank & financial institution which has extended the credit facilities the funds for implementing the Chandigarh hotel project.
- v. Note 4 & 20 The outcome of the pending litigation in the subsidiary company Golden Joy Hotel Resort Private Limited with respect to Amritsar Hotel Project may have an impact on investment made by the Company.
- vi. Note 11 (B) The ownership in equity shares held by Northern Projects Limited, Morgan Ventures Ltd and Praveen Electronics Pvt Ltd and is in dispute and the matter is pending adjudication at different foras.
- vii. Note 11 (C) During the year, the tenure for the redemption of cumulative redeemable preference shares of Rs 41,50,00,000/- ( Rs Forty One Crore Fifty Lakh) has been extended upto fifteen years i.e. upto the year 2032 pursuant to the resolution passed by way of Postal Ballot Sept 20, 2017 . A minority shareholder has taken an ex-parte order against the above resolution which the company is contesting.
- viii. Note 17 The Company is contesting the suit filed by the Debenture holder and in view of the pending litigation, no debenture redemption reserve is created,
- ix. Note 20 (i) The Company has given a guarantee of Rs. 6500 Lakh to Banks/ Financial institutions for loan taken by Joy Hotel Private Limited for setting up a five-star hotel project at Chandigarh which 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 hotel plot by the Estate Office which had resumed it
- x. Note 20 (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 a first charge basis on the hotel property at Goa.
- xi. Note 25 Finance cost includes provision for dividend on cumulative redeemable preference shares for the year. Further in view of the pending litigations, no provision for interest or any other charges has been made on secured borrowings from financial institution, bank and debentures.

In view of the above, the assumption of the going concern is dependent upon realisation of the various initiatives undertaken by the Company, outcome of the Review Petition before the Hon'ble Supreme Court of India and other court cases and / or ability of the Company to raise requisite finances / generate cash flows in future to meet its obligations including financial support to its subsidiary companies.

## **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 2017-18. 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) **Regarding Point 1 to 6 of the Secretarial Audit Report**– Reply as above in the Explanation to Auditors Report.

#### 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 2018-19.

#### 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 Mr.Madan Gopal Khanna	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	Mr. Ashok Kini Dr. Vijay Mohan Kaul Mr. Praveen Kumar Dutt	Chairman Member Member
Corporate Social Responsibility Committee	Mr. Sushil Suri Mr. Ashok Kini Mr. Madan Gopal Khanna	Chairman Member Member
Preference Share holder Committee	Mr. Sushil Suri Mr. Kushal Suri Mr. Ashok Kini	Chairman Member Member

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 2018-19.

### **WHISTLE BLOWER/VIGIL MECHANISM**

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

### **RISK MANAGEMENT**

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

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

### **VOTING RIGHTS**

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

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

The Company has following Subsidiaries / Associates as on March 31, 2018 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)

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](http://www.bluecoast.in). These documents are also available for inspection during the business hours at the Corporate Office of the Company situated at 415-417, Antriksh Bhawan, 22



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 Ind. AS-24.

### **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**

During the year, the Hon'ble Supreme Court of India allowed the Special Leave Petitions filed by the secured creditor and auction purchaser against the judgment of the Hon'ble High Court of Bombay which had set aside the auction of the Hotel Park Hyatt Goa Resort & Spa. The Hon'ble Supreme Court of India has directed the Company and its agents to handover the possession of the hotel to the auction purchaser within six months alongwith the relevant accounts. The Company has filed a Review Petition against the judgment of the Hon'ble Supreme Court of India.

During the year, the subsidiary company Silver Resort Hotel India Private Limited has filed an appeal before the Division Bench of the Hon'ble High Court of Delhi challenging the alleged termination of the grant of right by DIAL which had allotted the plot for the development of a hotel at Aerocity Delhi. The Hon'ble High Court of Delhi was pleased to issue the Notice to the DIAL and the matter is pending adjudication.

The Company is exploring the legal remedies and or options available to it to safeguard the interest of the shareholders.

#### **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](http://www.bluecoast.in).

#### **CORPORATE GOVERNANCE**

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

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

#### **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 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 2017-18

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, 2018, there were 652 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 :

<b>Year</b>	<b>Award</b>	<b>Title</b>
2018	Asia Spa GeoSpa - Hall of Fame for Sereno Spa	Best Destination Spa
2017	Travel + Leisure	India's Best Luxury Resort (#1)
2017	India Hospitality F&B Pro – Goa's Best 2017	Relaxing Ambience – 5 Star South – Park Hyatt Goa Resort and Spa
2017	Rocheston -Distinguished Restaurant Awards	Palms
2017	Experiential Venues Awards	Best Venue for Corporate Incentives – Destination India
2017	Distinguished Restaurant Awards	Wedding Destination
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)

#### **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: 14.07.2018

## 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&amp; Key Managerial Personnel's (KMP's) :

S. No.	Name of the Directors/KMP and Designation	Remuneration of Director/KMP for the Financial Year 2017-18 (₹ In Lacs)	% increase in remuneration in the Financial Year 2017-18	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	0.50	–	–
4.	Mrs. Seema Joshi Independent Director	0.10	–	–
5.	Mr. Ashok Kini Independent Director	0.40	–	–
6.	Mr. Praveen Kumar Dutt Independent Director	0.50	–	–
7.	Mr. Vijay Mohan Kaul Independent Director	0.20	–	–
8.	Mr. Dilip Bhagtani Chief Finance Officer	64.80	20.00	34.84
9.	Mr. Shivam Kumar Company Secretary	04.42	5.8	3.12

The median remuneration of employees of the Company during the Financial Year 2017-18 was INR 1,85,997/-

- ii In the Financial year, there was an decrease of 19% in the median remuneration of the employees;
- iii. The number of the permanent employee on the payrolls of the company as of March 31, 2018 and March 31, 2017 was 652 and 459 respectively.
- iv. Average percentage increase made in the salaries of the employee other than the managerial personnel in the last financial year i.e. 2017-18 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	39	18	March 23 2016	86,25,646	Hotel Manager Grand Hyatt Mumbai	Hotel Operations
Francisco Canzano	Executive Chef	DIPLOMA IN CULINARY	41	17	October 10, 2016	70,06,230	Executive Sous Chef Grand Hyatt Doha	Hotel Operations
Dilip Bhagtani	CFO	CA, LLB, MBA, IFRS, CS, IFRS, IRP	54	29	Feb 2010	64,00,000	Director Finance Duet India Hotels Pvt. Ltd.	Finance & Accounts
Ashish Shome	Director of Operations	B.COM AND HOTEL MANAGEMENT	49	28	July, 15 2016	39,12,816	Hyatt Regency Mumbai (Director of F&B)	Hotel Operations
Vinita Manik Khar	Director of Sales and Marketing	MBA , B.com	37	13	June 9, 2017	33,03,491	Director Of Business Development. (Conrad Pune)	Sales Operations
Vittal Kudtarkar	Director of Engineering	DIPLOMA ELECTRICAL ENGINEERING	42	22	Sept 15, 2016	29,20,575	Hyatt Regency Chennai (DOE)	Engineering
Chiranjib De	Director of Human Resources	B.Com, DSW PGDPM	42	17	October 06, 2014	28,31,600	Personnel Manager (Hyatt Regency Kolkata)	Human Resources and Operation
Narinder Kaur Bhalla	Sr.Manager-Corporate	MBA IN SALES AND MARKETING, PGDHRM, MA (Pol.Science)	38	17	June 1, 2012	22,47,312	Manager-Corporate, Morepen Labs Ltd.	Admin, Travel, Hospitality
Pratiti Rajpal	Marketing Communication Manager	BBA, MBA IN SALES AND MARKETING & HR	32	9	November 21, 2014	18,54,259	Hyatt Regency Chennai (Mar Com Manager)	Hotel Operations
Dibyendu Dubey	Revenue Manager	Engineering, MBA	34	8	December 5, 2014	18,25,300	Leela Kovalam (Revenue Manager)	Revenue Management

**ANNEXURE - C**  
**SECRETARIAL AUDIT REPORT**

**Form No. MR-3**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018

[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, 2018 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, 2018 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.

#### **I 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.

1. **I further report** that the Company has filed a Review Petition before the Hon'ble Supreme Court of India against the judgement dated 19.03.2018 setting aside the order of the Hon'ble High Court of Bombay dated 23.03.2015 and thereby upholding the sale of the hotel property at Goa and directing the company to handover the possession of the hotel to the auction purchaser alongwith relevant accounts within six months from the date of the judgement. The Review Petition is pending for disposal before the Hon'ble Supreme Court of India. The outcome may have the material impact as a going concern. The Hotel Property continues to be operated under the brand "Park Hyatt Goa Resort & Spa" and maintained under the management agreement with Hyatt International.
2. During the year, the tenure for the redemption of cumulative redeemable preference shares of Rs 41,50,00,000/- (Rs Forty One Crore Fifty Lakh) has been extended upto fifteen years i.e. upto the year 2032 pursuant to the resolution passed by way of Postal Ballot on Sept 20, 2017. A minority shareholder has taken an ex-parte order against the above resolution which the company is contesting.
3. The Company is contesting the suit filed by the Debenture holder and in view of the pending litigation, no debenture redemption reserve is created,

4. The company has given a guarantee of Rs. 6500 Lakh to Banks/ Financial institutions for loan taken by Joy Hotel Private Limited for setting up a five-star hotel project at Chandigarh which 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 hotel plot by the Estate Office which had resumed it
5. 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 buyback of entire equity is completed, IFCI Limited has a first charge basis on the hotel property at Goa. IFCI has allegedly appropriated the buy back amounts towards the equity and assured return thereon out of the sale consideration of the hotel at Goa. The company is contesting the set-off of the amounts.
6. Finance cost includes provision for dividend on cumulative redeemable preference shares for the year. Further in view of the pending litigations, no provision for interest or any other charges has been made on secured borrowings from financial institution, bank and debentures.

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

7. No amount was required to be transferred to the Investor Education and Protection Fund by the Company during the year.
8. The company has not accepted any public deposits during the year.
9. 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 may letter of even date which is annexed as annexure A and forms as integral part of this report.**

**Date: 14.07.2018**  
**Place: Ghaziabad**

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

## **ANNEXURE-A**

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

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

### **Management's Responsibility**

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

### **Auditor's Responsibility**

2. My responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial 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 our opinion.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

### **Disclaimer**

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 : 14.07.2018  
Place: Ghaziabad**

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



**ANNEXURE - D****FORM AOC-I**

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

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

**Part "A": Subsidiaries**

(Rs. in Lakh)

<b>Name of the Company</b>	<b>Silver Resorts Hotels India Private Limited</b>	<b>Golden Joy Hotels Private Limited</b>	<b>Blue Coast Hospitality Limited</b>
<b>Category</b>	<b>Subsidiary Company</b>	<b>Subsidiary Company</b>	<b>Subsidiary Company</b>
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2017 to 31-03-2018	01-04-2017 to 31-03-2018	01-04-2017 to 31-03-2018
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)	(4.21)	(9.81)
Total Assets	49388.30	261.67	203.96
Total Liabilities	22105.54	260.88	208.77
Investments	1.65	-	-
Turnover	-	-	-
Profit/(Loss) before taxation	-	(0.24)	(0.24)
Provision for taxation	-	-	-
Profit after taxation	-	(0.24)	(0.24)
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, 2018**

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

**I. REGISTRATION AND OTHER DETAILS:**

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

**I. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

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

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	<b>SILVER RESORT HOTEL INDIA PRIVATE LIMITED</b> Address: 263C Arossim, Cansaulim, Goa 403712; Tel No.: +91 832 2721234 Fax No.: +91-832 2721235	U55101GA2010PTC006298	Subsidiary	68.92	2 (87)
2.	<b>GOLDEN JOY HOTEL PRIVATE LIMITED</b> Address: 33-34, Chandigarh Industrial & Business Park Phase - II, Tribune Chowk Chandigarh, 160002	U55101CH2009PTC031810	Wholly Owned Subsidiary	100	2 (87)
3.	<b>BLUE COAST HOSPITALITY LIMITED</b> Address: 263C Arossim, Cansaulim, Goa 403712; Tel No.: +91 832 2721234 Fax No.: +91-832 2721235	U55101GA2007PLC005101	Wholly Owned Subsidiary	100	2 (87)

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 (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>(1) Indian</b>									
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	6821454	0	6821454	53.51	6821454	0	6821454	53.51	0.00
d) Bank/FI									0.00
e) Any other									0.00
<b>SUB TOTAL:(A) (1)</b>	<b>7826495</b>	<b>0</b>	<b>61.39</b>	<b>61.39</b>	<b>7826495</b>	<b>0</b>	<b>61.39</b>	<b>61.39</b>	<b>0.00</b>
<b>(2) Foreign</b>	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
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
Total Shareholding of Promoter									
<b>(A)= (A)(1)+(A)(2)</b>	<b>7826495</b>	<b>0</b>	<b>61.39</b>	<b>61.39</b>	<b>7826495</b>	<b>0</b>	<b>61.39</b>	<b>61.39</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
C) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
a) Bodies Corporates	2352619	340	2352959	18.46	2361151	340	2361491	18.52	0.06
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	139573	78323	217896	1.71	132360	78023	210383		0.00
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	31745	0	31745	0.25	31745	0	31745	0.25	0.00
c) Others (specify)									
Clearing Members	1634	0	1634	0.01	509	0	509	0.00	0.00
Non Residents	5266	300	5566	0.04	5712	300	6012		0.00
Foreign Company	2312162	0	2312162	18.14	2312162	0	2312162		0.00
Trusts	0	0	0	0	0	0	0	0	0.00
<b>SUB TOTAL (B)(2):</b>	<b>4842999</b>	<b>78963</b>	<b>4921962</b>	<b>38.61</b>	<b>4843299</b>	<b>78663</b>	<b>4921962</b>	<b>38.61</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>4842999</b>	<b>78963</b>	<b>4921962</b>	<b>38.61</b>	<b>4843299</b>	<b>78663</b>	<b>4921962</b>	<b>38.61</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>12669294</b>	<b>78963</b>	<b>12748457</b>	<b>100.00</b>	<b>12669794</b>	<b>78663</b>	<b>12748457</b>	<b>100.00</b>	<b>0.00</b>



ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% 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
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	599414	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	0	0.00	0	0.00
21	Solace Investments & Financial Services Pvt. Ltd	1146196	8.99	2.66	1146196	8.99	2.66	0.00
22	Solitary Investments & Financial Services Pvt. Ltd	645243	5.06	2.51	645243	5.06	2.51	0.00
23	Square Investments & Financial Services Pvt. Ltd	596699	4.68	2.51	596699	4.68	2.51	0.00
24	Sunita Suri	360151	2.83	0.2	360151	2.83	0.2	0.00
25	Sushil Suri	33100	0.26	0.26	33100	0.26	0.26	0.00
<b>TOTAL</b>		<b>7826495</b>	<b>61.40</b>	<b>30.22</b>	<b>7826495</b>	<b>61.40</b>	<b>30.22</b>	<b>0.00</b>

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

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		Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares at the beginning of year	% of total shares of the company			No of shares	% of total shares of the company
1.	FERRY HOLDINGS LTD.	1162162	9.12	200 Increased on 11.04.2017	No Changes during the year	1162162	9.12
2.	JETTY CAPITAL LTD.	1150000	9.02		No Changes during the year	1150000	9.02
3.	SOLACE INVESTMENTS & FINANCIAL SERVICES PVT.	1146196	8.99		No Changes during the year	1146196	8.99
4.	NORTHERN PROJECTS LTD.	970000	7.61		No Changes during the year	970000	7.61
5.	SEED SECURITIES & SERVICES PVT.LTD	645311	5.06		No Changes during the year	645311	5.06
6.	SOLITARY INVESTMENTS & FINANCIAL SERVICES PVT. LTD.	645243	5.06		No Changes during the year	645243	5.06
7.	LIQUID HOLDINGS PVT. LTD.	599214	4.70		Transfer Of Share From Shivalik	599414	4.70
8.	MID MED FINANCIAL SERVICES & INVESTMENTS PVT.	597087	4.68		No Changes during the year	597087	4.68
9.	SQUARE INVESTMENTS & FINANCIAL SERVICES PVT. LTD.	596699	4.68		No Changes during the year	596699	4.68
10.	REACT INVESTMENTS & FINANCIAL SERVICES PVT LTD	596699	4.68		No Changes during the year	596699	4.68

**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
<b>A.</b>	<b>DIRECTORS:</b>				
	MR. SUSHIL SURI	33100	0.26	0	0.00
	MR. KUSHAL SURI	20200	0.16	0	0.00
	MR. ASHOK KINI	0	0.00	0	0.00
	MR. PRAVEEN KUMAR DUTT	0	0.00	0	0.00
	DR. VIJAY MOHAN KAUL	0	0.00	0	0.00
	MRS. SHALU SURI	0	0.00	0	0.00
	MR. MADAN GOPAL KHANNA	0	0.00	0	0.00
<b>B.</b>	<b>KEY MANAGERIAL PERSONNEL (KMP):</b>				
	MR. DILIP BHAGTANI (CFO, CS)	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	22,326.70	4,150.00	-	26,476.70
ii) Interest / Dividend due but not paid	270.50	-	-	270.50
iii) Interest accrued but not due	-	-	-	-
iv) Dividend on Redeemable Preference Shares as per Ind AS ( Not due in the absence of distributable Profits)	-	5,993.47		5,993.47
<b>Total (i+ii+iii+iv)</b>	<b>22,597.20</b>	<b>10,143.47</b>	<b>-</b>	<b>32,740.67</b>
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	22,310.71	4,150.00	-	26,460.71
ii) Interest due but not paid	267.07	-	-	267.07
iii) Interest accrued but not due	-	-	-	-
iv) Dividend on Redeemable Preference Shares as per Ind AS ( Not due in the absence of distributable Profits)	-	6,408.46	-	6,408.46
<b>Total (i+ii+iii+iv)</b>	<b>22,577.78</b>	<b>10,558.46</b>	<b>-</b>	<b>33,136.24</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount (Rs. In Lakhs)
		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	-	-
5.	Others, please specify	-	-
	<b>Total (A)</b>	<b>NIL</b>	<b>NIL</b>
	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.	<b>Independent Directors</b>						
	• Fee for attending board committee meetings	40,000/-	20,000/-	50,000/-	50,000/-	10,000/-	1.70
	• Commission	-	-	-	-		-
	• Others, please specify	-	-	-	-		-
	<b>Total (1)</b>	<b>40,000/-</b>	<b>20,000/-</b>	<b>50,000/-</b>	<b>50,000/-</b>	<b>10,000/-</b>	<b>1.70</b>
2.	<b>Other Non-Executive Directors</b>						
		<b>Mr. Kushal Suri</b>	<b>Mrs. Shalu Suri</b>				
	• Fee for attending board committee meetings	NIL					NIL
	• Commission	-				-	
	• Others, please specify	-					-
	<b>Total (2)</b>	<b>NIL</b>	<b>NIL</b>			<b>NIL</b>	
	<b>Total (B)=(1+2)</b>	<b>40,000/-</b>	<b>20,000/-</b>	<b>50,000/-</b>	<b>50,000/-</b>	<b>10,000/-</b>	<b>1.70</b>
	<b>Total Managerial Remuneration (A + B)</b>						
	<b>Overall Ceiling as per the Act</b>	<b>1% of Net Profits of the Company for all Non-Executive Directors</b>					



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

S. No.	Particulars of Remuneration	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	64,80,000/-	4,42,523/-	69.22/-
	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	-	-	-
	<b>Total</b>	<b>64,80,000/-</b>	<b>4,42,523/-</b>	<b>69.22/-</b>

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

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

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

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

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

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
	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.

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
	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 Annual report 2017-18 released by the Ministry of Tourism, Govt of India, Foreign Tourist Arrivals (FTAs) during 2017 were 10.18 million with a growth of 15.6% over same period of the previous year. During 2016, FTAs were 8.8 million with a growth rate of 9.7% over 2015. In the year 2016, there were 5.77 million arrivals of NRIs in India, with a growth rate of 9.7% over 2015. ITAs include both FTAs and Arrivals of Non Resident Indians (NRIs). In the year 2016, there were 14.57 million International Tourist Arrivals (ITAs) in India, with a growth rate of 9.7% over 2015.

Foreign Exchange Earnings through Tourism (FEEs) during the period 2017 were INR 1,80,379 crore with a growth of 17% over same period of previous year. The FEEs from tourism in rupee terms during 2016 were INR 1,54,146 crore with a growth rate of 14.0%.

Facilitative visa regime is a pre requisite for increasing inbound tourism. The Ministry of Tourism takes the initiative of pursuance with Ministry of Home Affairs and Ministry of External Affairs for achieving the same. As on December, 2017, e-Visa facility had been extended to the nationals of 163 countries under 3 sub – categories i.e. 'e- Tourist Visa', 'e – Business Visa' and 'e – Medical Visa'. During 2017, a total of 1.7 million foreign tourists arrived on e-Tourist Visa registering a growth of 57.2%. During 2016, FTAs on e- Tourist Visa in India were 1.08 million as compared to 0.445 million in 2015, registering a growth of 142.5%.

As per the latest EIU Country report dated June 18<sup>th</sup> 2018, the economy is expected to grow by slightly lower than 7.6%. This comes on the back of a downward revision to expectations for private consumption growth.

Expectations for the rupee are now expected to average INR 66.7: US\$1 in 2018, from INR 65.6: US \$1 previously. This is due to a revision of EIU's forecast for the current account and weak equity inflows, both of which are acting against the currency.

EIU expects the current-account deficit to average the equivalent of 2.4% of GDP in 2018-22, compared with 1.9% previously. This is driven by an upward revision to the expectations for crude oil prices in the same period, resulting in higher import costs.

EIU expects the Reserve Bank of India (the central bank) to undertake a further 25 basis point increase in its benchmark policy rate, the repurchase rate, in 2019, in order to counter imported inflationary pressures created by rising oil prices and a weak rupee. EIU has revised down their expectations for merchandise exports, and now expect them to grow by only 6.4% in 2018, against 11.6% previously. This downward revision is driven by weak recent data.

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 2018/19 (April–March). This includes the relaunch of the "Incredible India" marketing campaign and the set-up of five special tourism zones.

**The Business Environment:**

- The Indian economy is expected to grow at 7.4 per cent in the current fiscal and accelerate further to 7.8 per cent as it recovers from the impact of demonetisation and GST roll out, IMF indicated in its statement dated 9<sup>th</sup> May 2018.
- Asia continues to be the main engine of the world's economy, accounting for more than 60 per cent of global growth - three-quarters of which comes from China and India alone, as per IMF's Regional Economic Outlook: Asia and Pacific (REO). Asia is expected to grow at 5.6 per cent this year and next, as per IMF, adding that the outlook is supported by strong global demand, as well as still accommodative policies and financial conditions. China, it said, is projected to grow at 6.6 per cent in the current year which will moderate to 6.4 per cent next year.
- The Economist Intelligence Unit expects the World GDP to grow by 3.1% in 2018, compared to 3.0% in 2016. The world GDP is forecasted to drop to 3.0% in 2019 and 2.3% in 2020.
- The US economy is forecasted that average real GDP growth of 2.7% in 2018, against a growth of 2.3% in 2017. A business cycle recession in 2019 is expected to reduce the GDP growth to 2.5% in 2019 and further to 0.8% in 2020 as per the latest EIU report issued in June 2018
- In 2017 China grew by 6.8%, 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 since the president, Xi Jinping has consolidated his power at a party conference he is expected to 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 in 2018 to 6.5% and 6.4% in 2019.
- With China losing momentum, India has been Asia's fastest-growing large economy in 2018 and is expected to continue the trend from 2018-21, expanding at an average annual rate of 7.6%. 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.
- 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

**Indian Economic Indicators:**

- a. GDP growth is expected to average 7.6% a year in 2018/19-2022/23. Expansion will be supported by robust increases in private consumption, averaging 7.9% Annually in the next five years and making the largest contribution to headline growth. In addition, the economy will receive support from accelerating gross fixed investment, which will grow by an average of 8.4% a year in 2018/19-2022/23, compared with an estimated 2.9% in 2017/18 (Source: The Economic Intelligence Unit and The International Monetary Fund (IMF))
- b. World Inflation is likely to be 2018 – 3.5%, 2019 – 3.4%, 2020 – 3.3%, (Source: IMF). We forecast that consumer prices will rise by an average of 5% a year in 2018-22. Consumer price inflation will continue to be driven principally by two factors: food and oil prices. The food and beverage segment has a weighting of about 45% in

the consumer price index, and so any volatility in agricultural output will adversely affect price stability. We forecast that oil prices will average US\$69.4/barrel (dated Brent Blend) a year in 2018-22, up from US\$54.4/b in 2017. A normal monsoon in 2018 will temper food price inflation to some extent this year, but higher fuel prices will lead to greater costs in sectors that consume large amounts of fuel, such as transport. Increased public spending will also add to inflationary pressures, and we expect the government to raise the support prices (minimum guaranteed prices) for crops to shore up support among farmers ahead of the 2019 general election. As a result, annual average inflation will peak at 5.4% in 2019, before moderating to 4.7% in 2020 as the rupee appreciates (cooling import prices) and global oil prices dip. As economic growth strengthens in 2021-22, upward demand-side pressures on consumer prices will increase. A weakening rupee will also add to imported inflationary pressures

- c. As on December, 2017, e-Visa facility had been extended to the nationals of 163 countries under 3 sub – categories i.e. 'e- Tourist Visa', 'e – Business Visa' and 'e – Medical Visa'. During 2017, a total of 1.7 million foreign tourists arrived on e-Tourist Visa registering a growth of 57.2%. During 2016, FTAs on e- Tourist Visa in India were 1.08 million as compared to 0.445 million in 2015, registering a growth of 142.5% (Source: Annual Report 2017-18, Ministry of Tourism, Govt. of India official website)
- d. E-Visa Facility issued at Dabolim Airport, in 2017 a total of 1,33,748 tourist arrived on e-Tourist Visa as compared to 1,04,442 tourists in 2016. (Source: Ministry of Tourism, Govt. of Goa official website)
- e. Foreign Exchange Earnings through Tourism (FEEs) during the period 2017 were INR 1,80,379 crore with a growth of 17% over same period of previous year. The FEEs from tourism in rupee terms during 2016 were INR 1,54,146 crore with a growth rate of 14.0%. (Source: Ministry of Tourism, Govt. of India official website)
- f. According to report issued in March 2018, by the World Travel and Tourism Council (WTTC) India's travel and tourism sector ranks 7<sup>th</sup> in the world in terms of its total contribution to the country's GDP. According to data, The direct contribution of Travel & Tourism to GDP was INR 5,943.3bn (USD 91.3bn), 3.7% of total GDP in 2017 and is forecast to rise by 7.6% in 2018, and to rise by 7.1% pa, from 2018-2028, to INR 12,677.9bn (USD 194.7bn), 3.9% of total GDP in 2028.
- g. The total contribution of Travel & Tourism to GDP was INR 15,239.6bn (USD 234.0bn), 9.4% of GDP in 2017, and is forecast to rise by 7.5% in 2018, and to rise by 6.9% p.a. to INR 32,053.3bn (USD 492.2bn), 9.9% of GDP in 2028.
- h. In 2017 Travel & Tourism directly supported 26,148,000 jobs (5.0% of total employment). This is expected to rise by 2.8% in 2018 and rise by 2.1% p.a. to 33,195,000 jobs (5.3% of total employment) in 2028.
- I. In 2017, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry was 8.0% of total employment (41,622,500 jobs). This is expected to rise by 3.1% in 2018 to 42,898,000 jobs and rise by 2.0% p.a. to 52,279,000 jobs in 2028 (8.4% of total).
- j. Visitor exports generated INR 1,777.1bn (USD 27.3bn), 5.8% of total exports in 2017. This is forecast to grow by 8.8% in 2018, and grow by 5.5% p.a., from 2018-2028, to INR 3,316.4bn (USD 50.9bn) in 2028, 5.1% of total.
- k. Travel & Tourism investment in 2017 was INR 2,706.1bn, 6.3% of total investment (USD 41.6bn). It should rise by 6.7% in 2018, and rise by 6.7% p.a. over the next ten years to INR 5,546.3bn (USD 85.2bn) in 2028, 6.1% of total.
- l. India's persistent dual deficits on the fiscal and current accounts will also keep investors cautious. Indeed, the

rising cost of crude oil will significantly widen the trade deficit. This trend will persist in 2019, and the local currency will depreciate to INR 68.6 : US\$1 on average. However, we expect the rupee to appreciate against a weakening US dollar in 2020 as the US economy experiences a marked slowdown in that year.

- m. Although the RBI will loosen monetary policy in 2020, the stronger growth prospects in India compared with the US in that year will provide support for the rupee. As oil prices pick up again from 2021, the rupee will lose value against the US dollar. We expect this depreciatory trend to persist in 2022, when the rupee's exchange rate will weaken to an annual average of INR 72 : US\$1.
- n. The policies of the Government will continue to encourage FII into India.
- o. Remittances will bolster secondary income inflows, but the wide imbalance on merchandise trade will keep the current account in deficit, equivalent to an annual average of 2.4% of GDP in 2018-22.

**Political:-**

- a. Stable governments both at the Centre and State Influences Tourism in a positive way.
  - b. 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 modernisation 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. 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.
  - e. The NDA will continue to 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. Nevertheless, some voters' concerns about issues such as employment and agrarian distress, as well as the tactical alliances between Congress and local parties, will diminish the NDA's majority compared with its 2014 victory. Further ahead, in early 2020, we expect the NDA to secure a majority in the Rajya Sabha (the upper house), bolstered by the gains the party will have made in state elections in the preceding years, as Rajya Sabha members are elected by state assemblies. This will allow the government to pass reforms without opposition approval.
  - a. State assembly elections in Madhya Pradesh, Rajasthan and Chhattisgarh later this year will be an acid test for the Bharatiya Janata Party (BJP), the dominant constituent party of the ruling National Democratic Alliance (NDA). The BJP is likely to secure another term in these states, although the contest in Rajasthan will be very close. These victories would bolster the NDA's chances ahead of the 2019 national election. All three states are currently governed by the BJP and accounted for 62 of the 282 seats that the party won in the 2014 national elections
  - b. 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 seasons saw recovery 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. However, 2017-18 seasons reflected a major drop in Charter movement for Luxury Hotels. Due to price sensitivity, length of stay of charter stay reflected a drop and lower star and priced Hotels were given preference.
- 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 continue to increase from international market with the introduction of E-Tourist Visa
- h) GST implementation from 1st July 2017 across India impacted travel especially from Domestic source markets. Relaxation of Luxury Tax during off season was not extended in summer 2017 as well as 2018 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 Q3 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) 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:-**

The budget deficit will remain persistently large in fiscal years 2018/19 2022/23 (April March), averaging the equivalent of 3.1% of GDP, as government spending will consistently outpace revenue inflows. Real GDP growth will average 7.6% a year in 2018/19-2022/23, underpinned by robust private consumption growth and a recovery in gross fixed investment as the business environment improves. The Reserve Bank of India (RBI, the central bank) will continue to prioritise inflation-targeting over growth in its policy framework. As a result, consumer price inflation will remain within the RBI's target range of 2-6% over the next five years.

- International relations with BRICS, SAARC, ASEAN and USA to further strengthen with the Government at centre

- GDP growth to average 7.6% 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 forecast that consumer prices will rise by an average of 5% a year in 2018-22. Consumer price inflation will continue to be driven principally by two factors: food and oil prices. The food and beverage segment has a weighting of about 45% in the consumer price index, and so any volatility in agricultural output will adversely affect price stability. We forecast that oil prices will average US\$69.4/barrel (dated Brent Blend) a year in 2018-22, up from US\$54.4/b in 2017

The Tourism Industry's contribution to the country's GDP will grow at an average rate of 7.6% 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.

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

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.

Ministry of Tourism is according priority for holistic development of tourism destinations into world class destinations using a cluster approach including development of infrastructure, amenities, interpretation centres and skill development by achieving synergy and convergence with other Central Ministries, State Governments and Industry Stakeholders. As a step in this direction, Ministry of Tourism has recently launched the 'Adopt A Heritage' project. Heritage sites are being offered for adoption by the public sector, private sector and individuals to become 'Monument Mitras' for developing amenities and facilities at these sites under this programme.

Creation of 'Special Tourism Zones' anchored on Special Purpose Vehicles (SPVs) in partnership with the States was announced in the Budget for 2018-19.

For creation of tourism infrastructure, the Ministry of Tourism has two major schemes viz. SWADESH DARSHAN- Integrated Development of Theme Based Tourist Circuits and PRASHAD- Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive for development of tourism infrastructure in the country including historical places and heritage cities.

Swadesh Darshan scheme has a vision to develop theme based tourist circuits on the principles of high tourist value, competitiveness and sustainability in an integrated manner by synergizing efforts to focus on needs and concerns of all stakeholders to enrich tourist experience and enhance employment opportunities. Under the scheme fifteen thematic circuits have been identified for development, namely: North-East India Circuit, Buddhist Circuit, Himalayan Circuit, Coastal Circuit, Krishna Circuit, Desert Circuit, Tribal Circuit, Eco Circuit, Wildlife Circuit, Rural Circuit, Spiritual Circuit, Ramayana Circuit, Heritage Circuit, Tirthankar Circuit & Sufi Circuit.

Under PRASHAD scheme, 25 sites of religious significance have been identified for development in India namely

Amaravati (Andhra Pradesh), Amritsar (Punjab), Ajmer (Rajasthan), Ayodhya (Uttar Pradesh), Badrinath (Uttarakhand), Dwarka (Gujarat), Deoghar (Jharkhand), Belur (West Bengal), Gaya (Bihar), Guruvayoor (Kerala), Hazratbal (Jammu & Kashmir), Kamakhya (Assam), Kanchipuram (Tamil Nadu), Katra (Jammu & Kashmir), Kedarnath (Uttarakhand), Mathura (Uttar Pradesh), Patna (Bihar), Puri (Odisha), Srisailem (Andhra Pradesh), Somnath (Gujarat), Tirupati (Andhra Pradesh), Trimbakeshwar (Maharashtra), Ujjain (Madhya Pradesh), Varanasi (Uttar Pradesh) and Vellankani (Tamil Nadu).

A 24x7 Toll Free Multi-Lingual Tourist Info Line (1800111363 or on a short code 1363) in 10 International Languages besides Hindi & English is being run by the Ministry of Tourism for providing information relating to Travel & Tourism in India to the domestic and International tourists/visitors and for assisting them with advice while travelling in India. The calls made by tourists (both international and domestic) while in India will be free of charge. The international languages handled are Arabic, French, German, Italian, Japanese, Korean, Chinese, Portuguese, Russian and Spanish, in addition to English and Hindi.

To overcome 'seasonality' challenge in tourism and to promote India as a 365 days destination, Ministry of Tourism has taken the initiative of identifying, diversifying, developing and promoting niche tourism products of the country like Cruise, Adventure, Medical, Wellness, Golf, Polo, Meetings Incentives Conferences & Exhibitions (MICE), Eco-tourism, Film Tourism, etc.

A National Medical and Wellness Tourism Board has been set up to work as an umbrella organisation to govern and promote medical tourism in India.

A detailed road map and action plan to move India from its current position to become a preferred cruise destination in the world has been prepared by the consultant appointed jointly by Ministry of Shipping and Ministry of Tourism.

In order to promote Adventure Tourism, the Ministry of Tourism has decided to celebrate 2018 as year of Adventure Tourism. Ministry has also taken the decision for purchase of 25 Satellite phones to be used by approved Adventure Tour Operators for mountaineering and trekking expeditions thus fulfilling the long standing demand of the industry

The India Golf Tourism Committee (IGTC) with Secretary (Tourism) as the Chairman, is the nodal body for golf tourism in the country. IGTC approved 06 golf events for financial support during the year 2017-18 (till December 2017).

The Ministry has entered into a Memorandum of Understanding (MoU) with the Eco Tourism Society of India (ESOI) to inform and educate tourism stakeholders about the importance of Sustainable and Responsible Tourism practices and ensuring and promoting Sustainable and Responsible practices in the tourism industry.

Ministry has also taken the initiative to establish India as a filming destination by promoting "Incredible India" brand at various fora. Ministry has also supported the International Film Festival of India (IFFI 2017) in Goa by hosting the closing dinner

#### **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 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
5. Goa Tourism bags Best Destinations for Relaxation Award
6. Goa Tourism bags the Best Decor Award at TTF Hyderabad
7. Goa Tourism bags Best Wedding Destination & Best Nightlife Destination awards at IITM 2017 Bangalore
8. Goa Tourism bags 'MICE Destination of the Year' award at IITM Delhi
9. Goa Tourism powers ahead with two honours at National Tourism Awards

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. Our success as a hotel depends on offering value for money to the guests, award winning Food & Beverages offerings, exceptional brand value which Hyatt bring, working with our local communities and fostering sustainability. The coordination between revenue management and sales and marketing team of the hotel is critical towards driving market share. 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 revenue generation are conferences, events and recreation, consisting of utilization of spa, swimming pool and state of the art gymnasium. The growth of upscale and 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 13632.30 Lakh (previous

period Rs 13379.16 Lakh). The Company has adopted the IndAS Accounting Standards incurred a net loss (after tax) of Rs 131.09 Lakh as against the net loss (after tax) of Rs 1018.32 Lakh last year. For the period under report Park Hyatt Goa Resort & Spa achieved an average occupancy of 73.1% (Previous Year 74.8%) and its Rev PAR is 0.66% is 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.

### **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 31<sup>st</sup> March 2018 stood at 552, 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 66.7 / USD
- Labour situation and Industrial relations reforms will continue to evolve
- Minimum wages have increased in 2017 and expected further increase 2018
- GDP growth is expected to average around 2018 – 7.3%, 2019 – 7.7%, 2020 – 7.4%, 2021 – 7.6% (Source: The Economic Intelligence Unit and The International Monetary Fund (IMF))
- Consumer price Inflation is likely to be 2018– 5%, 2019 – 5.4%, 2020 – 4.8%, 2021 – 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
    - a. Replaced old R22 refrigerant 325TR chiller with 134A refrigerant 425TR chiller of higher efficiency.
    - b. Made header for steam distribution inside the laundry to reduce diesel consumption for steam boilers.
    - c. Started replacing old bulbs with LED bulbs. Carried out swimming pool major maintenance and reduced water consumptions.
    - d. Bio-diesel is being used for steam boilers which give 12% saving on diesel cost and 2% on consumption.
    - e. Three Organic waste converter machines installed to convert food waste into manure to use for gardening.
- b. **Additional investment and proposals, if any, being implemented for reduction of Energy consumption**
  1. 80 Lakhs for replacing of existing chiller plants, 2.5 lakhs for steam header in laundry.
- c. **Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on production of services**

Earlier we used to operate 2 number of 325TR chillers now one 425TR chiller is enough to cater the entire hotel requirement.

**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).
    - (4) Door locks replaced with new RFID Bluetooth technology enabled locks.
    - (5) Guest rooms wooden floors been treated with MRF PU coating which is long lasting.
    - (6) Guest rooms bathroom floor and wall been treated with water and stain resistant coating.
  2. **Benefit derived as a result of the above R&D**

Door locks by replacing with new one battery consumption and guest complaint has been reduced.



By treating wooden floors with MRF PU coating scratches has been reduced and life has been increased.

Due to treating of marbles replacement cost has been saved and marbles life has been increased.

### 3. Future Plan of Action

- 1) Replacement of chiller and DG cooling tower pipe line.
- 2) Water proofing of public areas.
- 3) Installation of solar panels for battery operated buggies.

### 4. Expenditure on R & D

	<u>2017-18</u>	(Rs. / Lacs) <u>2016-17</u>
a) Capital	—	—
b) Recurring	—	—
c) <b>Total</b>	—	—
d) Total R & D expenditure as a percentage of total turnover is nil (previous year nil).		

### Technology Absorption, Adaptation and Innovation: Nil

### C. Foreign Exchange Earnings and Outgo (Rs. 4,264.27 and 771.02)

- 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 2017-18.

g. Total Foreign Exchange used and earned.		(Rs. / Lacs)
	<u>2017-18</u>	<u>2016-17</u>
i. Foreign Exchange Earnings :	4264.27	3870.30
<b>Total</b>	<u>4264.27</u>	<u>3870.30</u>
ii. Foreign Exchange Outgo :		
Capital Goods	31.89	41.50
Other matters	739.13	1341.79
<b>Total</b>	<u>771.02</u>	<u>1383.29</u>

**FORM A****Form for Disclosure of Particulars with respect to Conservation of Energy****A. ELECTRICITY AND FUEL CONSUMPTION :**

	Current Year	Previous Year
<b>1. Electricity</b>		
(a) Purchased		
Unit in Lacs (kWh)	74.21	74.64
	75.27	74.21
Total Amount (Rs. in Lacs)	456.31	429.92
Rate/Unit (Rs.)	6.14	5.79
(b) Own generation		
(i) Through diesel generator		
Unit in Lacs (kWh)	2.97	3.23
Units per Ltr. Of diesel oil	3.59	3.38
Cost/unit (Rs.)	13.48	12.70
(ii) Through steam turbine/generator		
Coal (specify quality and where used)		
<b>2. Diesel oil</b>		
Quantity (K. Ltrs.)	477.72	492.00
Total amount (Rs. in Lacs)	277.58	269.07
Average rate (Rs. per Ltr)	56.41	54.69

**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.

----- Total diesel used for DG sets 82566 liters

## 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 31<sup>st</sup> March, 2018 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 mind-set 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<sup>st</sup> March 2018, the Board of Directors consisted of Seven Directors, including Chairman and Managing Director, a woman Director and 4 Independent Directors - as per the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 2017-18, 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 31<sup>st</sup> March, 2018, 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
Mrs. Shalu Suri (DIN: 00287695)		Additional and Non-Executive Director
Mr. Kushal Suri (DIN: 02450138)		Non-Executive Director
Mr. Ashok Kini (DIN: 00584044)	Non Promoters	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

**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					
		26 May 17	11 Aug. 17	08 Sep. 17	14 Nov. 17	31 Jan. 18	28 Sep. 17 AGM
1.	Mr. Sushil Suri	✓	✓	✓	✓	✓	✓
2.	Mr. Kushal Suri	✓	✓	✓	✓	✓	✓
3.	Mrs. Shalu Suri*	NA	NA	NA	✓	✓	NA
4.	Mrs. Seema Joshi**	✓	NA	NA	NA	NA	NA
5.	Mr. Ashok Kini	✓	✗	✓	✓	✓	✓
6.	Mr. Praveen Kumar Dutt	✓	✓	✓	✓	✓	✓
7.	Dr. Vijay Mohan Kaul	✗	✓	✗	✓	✗	✓
8.	Mr. Madan Gopal Khanna	✓	✓	✓	✓	✓	✓

\*Ms Shalu Suri appointed as additional non-executive director on 12.10.2017

\*\*Ms Seema Joshi resigned from her post on 15.07.2017

**c) Number of Committees in which a Director 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	0
2.	Mr. Kushal Suri	1	0	0
3.	Mrs. Shalu Suri	1	0	0
4.	Mr. Ashok Kini	1	3	2
5.	Mr. Praveen Kumar Dutt	1	3	1
6.	Dr. Vijay Mohan Kaul	1	3	0
7.	Mr. Madan Gopal Khanna	1	2	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 2017-18, 5 (Five) Board Meetings were held. The dates on which these Meetings were held are given in the Table provided in pt. no. (b) Here in above.

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

No Director is related to any other Director on the Board, except Mr. Sushil Suri, Mrs. Shalu Suri and Mr. Kushal Suri though they 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 31.03.2018 except 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 Wednesday, 31<sup>st</sup> January, 2018, at the Corporate Office of the Company at 415-417, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi – 110 001, whereat the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

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

**VIDEO CONFERENCING**

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

**ETHICS/GOVERNANCE POLICIES**

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

- Code of Conduct for Board.
- Code of Conduct for Prohibition of Insider Trading
- Vigil Mechanism and Whistle Blower Policy
- Risk Management Policy
- Policy on Board Diversity
- Board Evaluation Policy
- Remuneration Policy for Directors, Key Managerial Personnel's & Senior Employees.
- Policy for determining Material Subsidiaries
- Policy on Related Party Transaction.
- Archival Policy

### COMMITTEES OF THE BOARD

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

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

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

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

### 3. AUDIT COMMITTEE

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

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

The Role of the Audit Committee includes the following:

- 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 31<sup>st</sup> March, 2018, 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
Mr. Madan Gopal Khanna	Non-Executive Independent	Member

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

Sr. No.	Name of the Director	Attendance in Audit committee Meetings held on				
		26 May 17	11 Aug. 17	08 Sep. 17	14 Nov. 17	31 Jan 18
1.	Mr. Praveen Kumar Dutt	✓	✓	✓	✓	✓
2.	Mr. Ashok Kini	✓	✕	✓	✓	✓
3.	Dr. Vijay Mohan Kaul*	✕	✓	✕	✓	✕
4.	Mrs. Seema Joshi*	✓	NA	NA	NA	NA
5.	Mr. Madan Gopal Khanna**	NA	NA	✓	✓	✓

\*Ms Seema Joshi resigned from her post on 15.07.2017

\*\* Mr Madan Gopal Khanna Appointed as a member of Audit Committee on 11.08.2017

**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 31<sup>st</sup> March, 2018, 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 31 <sup>st</sup> Jan18
1.	Mr. Ashok Kini	✓
2.	Mr. Praveen Kumar Dutt	✓
3.	Dr. Vijay Mohan Kaul	✓

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

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

**5. REMUNERATION OF DIRECTORS**

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

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

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

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

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

i. Details of remuneration/ sitting fees paid to Directors during the financial year 2017-18 is given below:

Name of Directors	Basic	Perquisites	Commission (for the year 2017-18)	Contribution to PF	Sitting Fee	Total
Mr. Sushil Suri	-	-	-	-	-	-
Mrs Shalu Suri	-	-	-	-	-	-
Dr. VM Kaul	-	-	-	-	10,000/-	20,000/-
Mr. Praveen Kumar Dutt	-	-	-	-	10,000/-	50,000/-
Mr. Kushal Suri	-	-	-	-	-	-
Mrs. Seema Joshi	-	-	-	-	10,000/-	10,000/-
Mr. Ashok Kini	-	-	-	-	10,000/-	40,000/-
Mr. Madan Gopal Khanna	-	-	-	-	10,000/-	50,000/-
<b>TOTAL</b>					<b>50,000/-</b>	<b>1,70,000/-</b>

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:**

Mr. Ashok Kini, Non-Executive Independent Director was appointed as the Chairman of the Stakeholders Relationship / Grievance Redressal Committee.

The Stakeholders Relationship / Grievance Redressal Committee comprise 3 (Three) 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 31<sup>st</sup> March, 2018, are given below:

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

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

Mr. Dilip Bhagtani, Chief Financial Officer & Company Secretary is the Compliance Officer of the Company.

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

No complains received during the year

**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 31<sup>st</sup> March, 2018, 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 26 <sup>th</sup> May 17
1.	Mrs. Seema Joshi*	✓
2.	Mr. Praveen Kumar Dutt	✓
3.	Dr. Vijay Mohan Kaul	✗
4.	Mr. Ashok Kini	✓

\* Ms Seema Joshi resigned from her post on 15.07.2017

**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 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
Mr. Ashok Kini	Non-Executive Independent	Member
Mr. Madan Gopal Khanna	Non-Executive Independent	Member

Since there have been continuous losses for last few Financial Year hence no amount shall required to be spent on CSR for Financial Year 2018-19.

**7. GENERAL BODY MEETINGS**

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

Financial Year	AGM	Date	Time	Venue
2016-17	24th	28th September 2017	10.00 A.M	263C, Arossim, Cansaulim, Goa -403712
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

**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
28 <sup>th</sup> September 2017	None		
29 <sup>th</sup> September 2016	1 (One)	1.	Approval of Related Party Contract.
30 <sup>th</sup> September 2015	None		

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

The Company had proposed one special resolution through postal ballot :

**Date of Postal Ballot Notice**

11<sup>th</sup> August 2017

**Voting Period:**

21<sup>st</sup> August to 19<sup>th</sup> September 2017

**Date of Declaration of Result:**

20<sup>th</sup> September 2017

**Date of Approval:**

20<sup>th</sup> September 2017

S. No.	Name of Resolution	Type of Resolution	No. of votes polled	No. of votes cast in favour		No. of votes cast against	
				Numbers of votes	%	Numbers of Votes	%
1.	Special resolution to extend the redemption period for a further period of 15 (Fifteen) years of 41,50,000/- (Forty one lakhs fifty thousand) 10% cumulative redeemable preference shares	Special	10576894	10576418	99.99%	476	0.01%

Mr. Prem Chand Goel, Company Secretary, was appointed as the Scrutinizer for carrying out the postal ballot process in fair and transparent Manner.

**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 2017-18)**

Day : Thursday  
Date : 09<sup>th</sup> August, 2018  
Time : 10:00 A.M.  
Venue : 263C, Arossim Beach, Cansaulim,  
Goa – 403712 INDIA

**b) Financial Year:**

The Financial Year of the Company starts from 1<sup>st</sup> April of a year and ends on 31<sup>st</sup> 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 2018-19 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 2017-18 are as under:



BSE				NSE		
Month	High	Low	Shares Traded	High	Low	Shares Traded
Apr-17	150.90	122.00	5,893	126.35	112.10	233
May-17	151.80	129.20	68,409	153.95	117.05	859
Jun-17	148.95	129.50	33,653	154.90	132.90	204
Jul-17	150.00	129.20	289	150.00	132.65	206
Aug-17	142.50	142.50	20	142.00	128.20	75
Sep-17	141.00	124.00	148	139.95	116.85	1,961
Oct-17	NIL	NIL	NIL	125.00	114.90	3,580
Nov-17	140.00	133.00	22	120.00	114.00	184
Dec-17	140.10	127.00	502	142.80	115.00	4073
Jan-18	144.00	131.10	1180	136.40	124.05	1,394
Feb-18	136.80	130.00	51	133.65	102.20	302
Mar-18	133.85	114.20	6,188	106.00	90.80	233

(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 the month)	SHARE PRICES COMPARISON			
	BSE	BSE (Sensex)	NSE	NSE (Nifty)
Apr-17	150.90	29,918.40	112.10	9,304.05
May-17	151.80	31,145.80	117.05	9,621.25
Jun-17	148.95	30,921.61	132.90	9,520.90
Jul-17	150.00	32,514.94	132.65	10,077.10
Aug-17	142.50	31,730.49	128.20	9,917.90
Sep-17	141.00	31,283.72	116.85	9,788.60
Oct-17	NIL	33,213.13	114.90	10,335.30
Nov-17	140.00	33,149.35	114.00	10,226.55
Dec-17	140.10	34,056.83	115.00	10,530.70
Jan-18	144.00	35,965.02	124.05	11,027.70
Feb-18	136.80	34,184.04	102.20	10,492.85
Mar-18	133.85	32,968.68	90.80	10,113.70

**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 110020

Ph.: 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, 2018:**

Shareholding of value of Rs.	Shareholders		Shareholdings		
	Number	% to total	Shares	Amount	% to total
Up to 5000	926	87.94	81746	817460	0.64
5001 to 10000	30	2.85	23361	233610	0.18
10001 to 20000	22	2.09	31278	312780	0.25
20001 to 30000	29	2.75	71765	717650	0.56
30001 to 40000	4	0.38	13896	138960	0.11
40001 to 50000	3	0.28	13888	138880	0.11
50001 to 100000	2	0.19	13304	133040	0.10
100001 and Above	37	3.51	12499219	124992190	98.04
<b>Grand Totals</b>	<b>1053</b>	<b>100.00</b>	<b>12748457</b>	<b>127484570</b>	<b>100.00</b>

**Ownership Pattern as on 31st March, 2018**

	No. of Folio's	% to total Folios	No. of Shares held	% to total Shares
<b>PROMOTERS</b>				
Individual	13	1.23	10,05,041	7.88
Bodies Corporate	11	1.04	68,21,454	53.51
<b>TOTAL (A)</b>	<b>24</b>	<b>2.27</b>	<b>78,26,495</b>	<b>61.39</b>
<b>PUBLIC</b>				
Foreign Company	2	0.19	23,12,162	18.14
Bodies Corporate	60	5.69	23,61,151	18.52
Clearing Members	4	0.38	509	0
NRI's	5	0.47	6,012	0.05
Individual	958	90.9	2,42,128	1.9
<b>TOTAL (B)</b>	<b>1029</b>	<b>97.63</b>	<b>4921962</b>	<b>38.61</b>
<b>TOTAL {(A) + (B)} = (C)</b>	<b>1,053</b>	<b>100</b>	<b>1,27,48,457</b>	<b>100.00</b>

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

The detail of shares dematerialized and those held in physical form, as on 31<sup>st</sup> March 2017.

Particulars of Shares	Shares	
	Number	% of Total
<b>Dematerialized Form</b>		
National Securities Depository Ltd. (NSDL)	12653897	99.25
Central Depository Services (India) Ltd. (CDSL)	15897	0.12
Physical Form	78663	0.62
<b>Total</b>	<b>12748457</b>	<b>100.00</b>

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

There are no GDRs/ADRs/Warrants outstanding as on 31<sup>st</sup> March, 2018.

**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 110020  
Ph.: 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 Ind. AS-24, kindly refer to Note No. 34 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 structures, 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 notice any irregularity.

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

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

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

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

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

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

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

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

Not Applicable

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

- a) The Board: As the Chairman of the Company is an Executive Chairman, hence the provision on entitlement of chairperson's office at the expense of the Company in case of a non-executive chairperson is not applicable.
- b) Shareholder Rights: Quarterly financial statements are published in leading newspapers and uploaded on Company's website [www.bluecoast.in](http://www.bluecoast.in).
- c) Modified opinion(s) in audit report: The Auditors have raised no qualification on the financial statements.
- d) Reporting of Internal Auditor: The Company has appointed M/s. S.S. Kothari Mehta & Co., 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 de-mat 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.SushilSuri, CMD and Mr.DilipBhagtani, 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/-**

**Place: New Delhi**

**SUSHIL SURI**

**Date: 14.07.2018**

**(Chairman & Managing Director)**

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

All Board Members and Senior Management Personnel have affirmed compliance with the code of ethics for the financial year ended 31<sup>st</sup> March, 2018.

**For Blue Coast Hotels Ltd.**

**New Delhi  
May 29, 2018**

**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 31<sup>st</sup> March, 2018 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Blue Coast Hotels Ltd.**

**For Blue Coast Hotels Ltd**

**New Delhi**  
**29th May , 2018**

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

**DILIP BHAGTANI**  
**(Chief Financial Officer)**  
**Company Secretary )**

## 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 31<sup>st</sup> March, 2018, 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 DEWAN AND GULATI**  
Chartered Accountants  
Firm Registration No: 003881-N

**New Delhi**  
**14th July, 2018**

**Dr. Sunil Gulati**  
Partner  
MNo.: 082929

## **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 March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements")

### **Management's Responsibility for the Standalone IND AS 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 of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

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 standalone Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity 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 :

1. Refer Note No. 17 (B)

The Company has filed a Review Petition before the Hon'ble Supreme Court of India against the judgement dated 19.03.2018 setting aside the order of the Hon'ble High Court of Bombay dated 23.03.2015 and thereby upholding the sale of the hotel property at Goa . The Review Petition is pending for disposal before the Hon'ble Supreme Court of India. The outcome may have the material impact as a going concern. The Hotel Property continues to be operated under the brand "Park Hyatt Goa Resort & Spa" and maintained under the management agreement with Hyatt International.

2. Refer Note 2 (ii)

Capital Works in Progress includes amounts incurred by the Company for the Delhi Aerocity Hotel Project (Rs 3449.67 Lakh) and Chandigarh Hotel Project (Rs 846.95 Lakh)

3. Refer Note 3(i)

During the year, Silver Resort Hotel India Private limited, the subsidiary of the Company, has filed an appeal before the Hon'ble High Court of Delhi challenging the alleged termination of the Development Agreement and Infrastructure Development Services Agreement. Pursuant to the Arbitral Tribunal Award, DIAL has deposited a sum of Rs 7698.66 Lakh with the Hon'ble High Court of Delhi in a representative suit filed by the unit holders of the Aerocity Hotel Project. Further, DIAL has also filed a winding up petition against the Company for recovery of Rs 9588.97 Lakh towards the licence fee, advance development cost and interest etc thereon which was challenged by the Company before the Hon'ble High Court 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 disposal of the Appeals, no provision for licence fee and interest on overdue payments has been made after the date of alleged termination.

4. Refer Note 3(iii)

The shareholding held by the Company in Joy Hotel & Resorts Private Limited is pledged with the bank &

financial institution which has extended the credit facilities the funds for implementing the Chandigarh hotel project.

5. Refer Note 4 & 20

The outcome of the pending litigation in the subsidiary company Golden Joy Hotel Resort Private Limited with respect to Amritsar Hotel Project may have an impact on investment made by the Company.

6. Refer Note 11 (B)

The ownership in equity shares held by Northern Projects Limited, Morgan Ventures Ltd and Praveen Electronics Pvt Ltd and is in dispute and the matter is pending adjudication at different foras.

7 Refer Note 11 (C)

During the year, the tenure for the redemption of cumulative redeemable preference shares of Rs 41,50,00,000/- (Rs Forty One Crore Fifty Lakh) has been extended upto fifteen years i.e. upto the year 2032 pursuant to the resolution passed by way of Postal Ballot Sept 20, 2017 . A minority shareholder has taken an ex-parte order against the above resolution which the company is contesting.

8. Refer Note 17

The Company is contesting the suit filed by the Debenture holder and in view of the pending litigation, no debenture redemption reserve is created,

9. Refer Note 20 (i)

The company has given a guarantee of Rs. 6500 Lakh to Banks / Financial institutions for loan taken by Joy Hotel Private Limited for setting up a five-star hotel project at Chandigarh which 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 hotel plot by the Estate Office which had resumed it.

10. Refer Note 20 (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 a first charge basis on the hotel property at Goa.

11. Refer Note 25

Finance cost includes provision for dividend on cumulative redeemable preference shares for the year. Further in view of the pending litigations, no provision for interest or any other charges has been made on secured borrowings from financial institution, bank and debentures.

In view of the above, the assumption of the going concern is dependent upon realisation of the various initiatives undertaken by the Company, outcome of the Review Petition before the Hon'ble Supreme Court of India and other court cases and / or ability of the Company to raise requisite finances / generate cash flows 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 (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.]
2. As required by Section 143 (3) of the Act, based on our audit 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 the respective schedules in its standalone Ind AS financial statements
    - (ii) The Company did not have any Long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

**For Dewan and Gulati**  
Chartered Accountants  
(Firm's Registration No. 03881N)

**CA. (Dr.) Sunil Gulati**  
Partner  
(Membership No. 082929)

Place: New Delhi  
Date: 29th May, 2018

## **Annexure “a” to the Independent Auditor's Report Blue Coast Hotels Limited**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statement for the year ended 31st March 2018

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and 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.
- (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.
- (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) According to the information and explanations given to us, in respect of statutory dues:
  - 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.
  - 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 6 years
2	PACL Ltd.	Debentures principal amount	10,000.00	Up to 5 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) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. 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 Dewan and Gulati**  
Chartered Accountants  
(Firm's Registration No. 03881N)

**CA. (Dr.) Sunil Gulati**  
(Partner)  
(Membership No. 082929)

Place : New Delhi  
Date : 29th May, 2018

## **Annexure “B” to the Independent Auditor's Report**

### **Report on the Internal Financial Controls Over Financial Reporting 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 THE BLUE COAST HOTELS LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS 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. 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us 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 March 31, 2018, 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 **Dewan and Gulati**  
Chartered Accountants  
(Firm's Registration No. 03881N)

**CA. (Dr.) Sunil Gulati**  
(Partner)  
(Membership No. 082929)

Place : New Delhi  
Date : 29th May, 2018

## Balance Sheet

As at 31<sup>st</sup> March, 2018

(Rs. in Lakhs)

	Notes	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>A ASSETS</b>				
<b>1. NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	2	16,468.29	16,838.68	17,128.27
Capital Work In Progress	2	4,351.96	163.26	46.20
Intangible Assets	2	52.73	64.24	6.94
Financial Assets :				
Investments	3	23,140.37	23,139.25	23,139.23
Loans	4	467.86	464.92	464.72
Other Non-Current Assets	5	295.34	110.22	101.16
		<u>44,776.55</u>	<u>40,780.57</u>	<u>40,886.52</u>
<b>2. CURRENT ASSETS</b>				
Inventories	6	198.01	302.62	1,337.58
Financial Assets :				
Investments	7	-	250.00	-
Trade Receivables	8	1,164.58	963.90	572.40
Cash and Cash Equivalents	9	933.44	1,007.92	142.98
Other Current Assets	10	1,456.20	4,823.12	3,718.19
		<u>3,752.23</u>	<u>7,347.56</u>	<u>5,771.15</u>
<b>Total</b>		<u>48,528.78</u>	<u>48,128.13</u>	<u>46,657.67</u>
<b>B EQUITY AND LIABILITIES</b>				
<b>1. EQUITY</b>				
Equity Share Capital	11	1,274.85	1,274.85	1,274.85
Other Equity	12	11,158.33	11,396.19	10,765.49
		<u>12,433.18</u>	<u>12,671.04</u>	<u>12,040.34</u>
<b>2. NON - CURRENT LIABILITIES</b>				
Financial Liabilities :				
Borrowings	13	4,220.80	4,237.56	4,152.32
Other Financial Liabilities	14	98.66	98.66	98.64
Provisions	15	132.61	165.08	148.58
		<u>4,452.07</u>	<u>4,501.30</u>	<u>4,399.54</u>
<b>3. CURRENT LIABILITIES</b>				
Financial Liabilities :				
Trade Payables	16	1,022.01	872.02	626.07
Other Financial liabilities	17	29,111.75	28,722.68	28,169.18
Other Current Liabilities	18	1,494.44	1,335.81	1,235.91
Provisions	19	15.33	25.28	186.63
		<u>31,643.54</u>	<u>30,955.79</u>	<u>30,217.79</u>
<b>Total</b>		<u>48,528.78</u>	<u>48,128.13</u>	<u>46,657.67</u>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1			
<b>NOTES ON FINANCIAL STATEMENTS</b>	2-37			

As per our separate report of even date

For Dewan & Gulati

Chartered Accountants  
(Firm Regn. No. 003881N )

CA (Dr.) Sunil Gulati

Partner

M No. 082929

Place : New Delhi

Date : 29.05.2018

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

(Sushil Suri)

Chairman & Managing Director

DIN : 00012028

(Dilip Bhagatani)

Chief Financial Officer & Company Secretary

(Madan Gopal Khanna)

Director

DIN : 00330460

## Statement of Profit and Loss

For the Year Ended 31<sup>st</sup> March, 2018

		(Rs. in Lakhs)	
	Notes	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>REVENUE</b>			
Revenue from operations	21	13,489.24	13,265.90
Other Income	22	143.06	113.26
<b>Total Income (I)</b>		<b>13,632.30</b>	<b>13,379.16</b>
<b>EXPENSES</b>			
Cost of materials Consumed	23	1,900.44	2,710.35
Employee benefits expense	24	2,529.71	2,599.69
Finance Costs	25	2,427.27	2,869.49
Depreciation and Amortization Expense	2	674.42	663.01
Other expenses	26	6,266.06	5,615.54
<b>Total expenses (II)</b>		<b>13,797.91</b>	<b>14,458.08</b>
<b>Profit before Tax</b>		<b>(165.61)</b>	<b>(1,078.92)</b>
<b>Tax Expense</b>			
<u>Earlier Years</u>		-	61.17
Tax (MAT)		-	-
MAT Credit Entitlement		-	-
<b>Profit for the Year (III)</b>		<b>(165.61)</b>	<b>(1,017.75)</b>
<u>Other Comprehensive Income</u>		-	-
Items that will not be reclassified to Profit & Loss :		-	-
Actuarial Gain/(Loss) on Employee Benefits		34.98	-
Other Comprehensive Income for the Year (IV)		-	-
<b>Total Comprehensive Income for the Year (III+IV)</b>		<b>(130.63)</b>	<b>(1,017.75)</b>
Earning per equity share ( Face Value of Rs.10/- each)	32		
(1) Basic		(1.31)	(7.98)
(2) Diluted		(1.31)	(7.98)
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>1</b>		
<b>NOTES ON FINANCIAL STATEMENTS</b>	<b>2-37</b>		

As per our separate report of even date

For Dewan & Gulati

Chartered Accountants  
(Firm Regn. No. 003881N )

CA (Dr.) Sunil Gulati  
Partner  
M No. 082929  
Place : New Delhi  
Date : 29.05.2018

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

(Sushil Suri)

Chairman & Managing Director  
DIN : 00012028

(Madan Gopal Khanna)

Director  
DIN : 00330460

(Dilip Bhagtani)

Chief Financial Officer & Company Secretary

## Cash Flow Statement

For the Year Ended 31<sup>st</sup> March, 2018

(Rs in Lakhs )

	Notes	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES :</b>			
Net Profit/(Loss) before Tax and extraordinary items		(165.61)	(1,017.75)
Adjustments for :			
Depreciation for the year		674.42	663.01
Tax Expense Prior period		(109.57)	(61.17)
Finance cost		2,427.27	2,869.49
Investment incorporated in books		2.34	-
OCI Gratuity		34.98	(1.00)
Interest Received		-	(10.85)
		<u>3,029.45</u>	<u>3,459.48</u>
<b>Operating profit before working capital changes</b>		<b>2,863.84</b>	<b>2,441.72</b>
<b><u>Changes in current assets and current liabilities</u></b>			
Trade Receivables		(200.68)	(391.50)
Other Current Assets		3,366.92	(1,104.93)
Inventories		104.61	1,034.96
Current liabilities		<u>539.07</u>	<u>1,971.49</u>
<b>Cash generated from operations</b>		<b>6,673.77</b>	<b>3,951.74</b>
Tax Expense Prior period		-	61.17
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b><u>6,673.77</u></b>	<b><u>4,012.91</u></b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of Property, Plant & Equipment's (Net)		(4,481.25)	(547.83)
Long Term Loans & Advances		(16.76)	(9.26)
Purchase of Investments		250.00	(250.00)
Investment in Other Non-Current Assets		(189.18)	(0.02)
OCI Gratuity		-	1.00
Interest Received		-	10.85
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b><u>(4,437.18)</u></b>	<b><u>(795.26)</u></b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Finance cost (net)		(2,427.27)	(2,869.49)
Other Non Current Liabilities		(32.48)	500.26
Change in Other Long Term Liabilities& Provisions (Net)		<u>148.68</u>	<u>16.51</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b><u>(2,311.07)</u></b>	<b><u>(2,352.72)</u></b>
Net Increase/(Decrease) in Cash and Cash equivalents(A+B+C)		(74.48)	864.94
Cash and Cash equivalents as at beginning of the year		1,007.92	142.98
Cash and Cash equivalents as at end of the year		933.44	1,007.92
Bank Balances other than Cash and Cash Equivalents			
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>NOTES ON FINANCIAL STATEMENTS</b>	2-37		

As per our separate report of even date  
For Dewan & Gulati

Chartered Accountants  
(Firm Regn. No. 003881N )

CA (Dr.) Sunil Gulati  
Partner  
M No. 082929  
Place : New Delhi  
Date : 29.05.2018

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 & Company Secretary

(Madan Gopal Khanna)  
Director  
DIN : 00330460

# I. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

## Company Overview

Blue Coast Hotels Limited ("the Company") is a Public limited company incorporated and domiciled in India and has its listing on the BSE Limited and National Stock Exchange of India Limited. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The Company has its hotel situated in the state of Goa. The Company is in the business of Hospitality.

### 1.1 Basis for preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements for the year ended March 31, 2018 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. For all periods up to and including the year ended March 31, 2017, the Company reported its Financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'IGAAP'). The Financial statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 1, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from IGAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided by way of a note in the financial statements.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on May 29, 2018.

### Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

### Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

### Operating Cycle

Based on the nature of products/activities of the company and normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 1.2 Use of Estimates and Judgements

The presentation of financial statements in conformity with Ind AS requires the management of the company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported balances of assets and liabilities, disclosures of contingent assets and liabilities as at the date of financial statements and the reported amount of revenues and expenses during the year. Examples of such



estimates include provisions for doubtful debts, employee benefits, provisions for income taxes, useful life of depreciable assets and provisions for impairments & others.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

### 1.3. Property, Plant and Equipment (PPE)

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

- a) Free hold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected significant costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.
- b) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.
- c) Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- d) The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

### 1.4 Intangible Assets and Amortisation

#### Internally generated Intangible Assets - Research and Development expenditure

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset and/or benefits are expected over more than one period, otherwise such expenditure is charged to the Statement of Profit and Loss.

Expenditure providing benefits for more than one period is amortised proportionately over the periods during which benefits are expected to occur.

#### Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

**1.5 Depreciation**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

- a) Depreciation on fixed assets is provided on straight-line method at the rates prescribed by the schedule II of the Companies Act, 2013 and in the manner as prescribed by it except assets costing less than Rs. 5000/- on which depreciation is charged in full during the year.
- b) Intangible assets are amortized over their respective individual estimated useful life on straight line basis, commencing from the date the asset is available to the company for its use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, etc. The amortization method and useful lives are reviewed periodically at end of each financial year.

**1.6. Valuation of inventories**

Stocks of raw materials and other ingredients have been valued on First in First Out (FIFO) basis, at cost or net realizable value whichever is less, finished goods and stock-in-trade have been valued at lower of cost and net realizable value, work-in-progress is valued at raw material cost up to the stage of completion, as certified by the management on technical basis. Goods in transit are carried at cost.

**1.7. Foreign Currency Transactions / Translations**

- i) Transactions denominated in foreign currency are recorded at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.
- ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
- iii) Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- iv) Foreign exchange differences recorded as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.
- v) In case of long term monetary items outstanding as at the end of year, exchange differences arising on settlement / restatement thereof are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / up to the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.

**1.8 Dividends**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

The dividend on the Cumulative Redeemable Preference shares is provided on an annual basis as per the stipulation of Ind AS.

## 1.9 Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of minimum lease payments at the inception of lease, whichever is lower. Lease under which the risks and rewards incidental to ownership are not transferred to lessee, is classified as operating lease. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term.

## 2.0 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

### i) Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

### ii) Subsequent measurement

#### a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

#### d) Investments in subsidiaries, joint ventures and associates

The Company has adopted to measure investments in subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

#### e) Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**Other Financial liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**iii) Derecognition of financial instruments**

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

**iv) Fair value measurement of financial instruments**

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

**2.1 Impairment of Assets****i) Financial Assets**

In accordance with Ind AS 109, the company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

**ii) Non-Financial Assets**

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the

extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

## **2.2 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- a) Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is exclusive of taxes and duties and net of returns, trade discounts and rebates.
- b) Dividend income is accounted for when the right to receive the income is established.

## **2.3 Interest**

Interest income from a financial asset is recognized when it is probable that the economic benefits will be flow to the company and the amount of income can be measured reliably.

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

## **2.4 Income Taxes**

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets

current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## **2.5 Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## **2.6 Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

## **2.7 Earning per share**

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to the 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 the 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 at beginning of the period, unless they have been issued at a later date.

## 2.8 Employee Retirement benefits

### i) 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 recognised in the statement of profit and loss in the period in which the employee renders the related service.

### ii) Post-employment benefits

#### **Defined contribution plans –**

Retirement benefits in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

#### **Defined benefit plans –**

##### **Gratuity**

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

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected cost method. Re-measurements comprising of actuarial gains and losses, are recognised in other comprehensive income which are not reclassified to profit or loss in the subsequent periods.

### iii) Long-term employee benefits

#### **Leave Encashment**

The liability of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

## 2.9 Segment Reporting

The company operates in one reportable business segment i.e. "Hospitality".

## 3.0 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.



## 2 I) PROPERTY, PLANT AND EQUIPMENTS TANGIBLE ASSETS - Refer (i)

(Rs in lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION					CARRYING VALUE	
	As at 01.04.17	Additions	Dedu- ctions	As at 31.03.18	As at 01.04.17	Adjust- ment in opening Balance	For the year	Dedu- ctions	As at 31.03.18	As at 31.03.18	As at 31.03.17
Land and Site development											
- Land	1,696.97	-	-	<b>1,696.97</b>	-	-	-	-	-	1,696.97	1,696.97
- Site Development	326.83	-	-	<b>326.83</b>	-	-	-	-	-	326.83	326.83
Buildings	-			-							
- Hotel	15,835.02	-	-	<b>15,835.02</b>	3,406.12	-	246.57	-	3,652.69	12,182.33	12,428.90
- Others	20.42	-	-	<b>20.42</b>	7.12	-	0.32	-	7.44	12.98	13.30
Plant and Equipment	4,743.99	160.53	-	<b>4,904.52</b>	3,049.90	-	241.64	-	3,291.55	1,612.97	1,694.09
Electrical Installations	815.43	0.51	0.19	<b>815.75</b>	698.91	-	20.68	0.11	719.48	96.27	116.52
Furniture's & Fixtures - Hotel	1,614.40	16.04	-	<b>1,630.44</b>	1,487.04	-	42.31	-	1,529.35	101.09	127.36
Furniture's & Fixtures - Others	108.33	-	-	<b>108.33</b>	100.03	-	0.91	-	100.94	7.40	8.30
Vehicles	391.47	84.67	34.78	<b>441.36</b>	315.82	-	30.14	25.29	320.66	120.70	75.65
Office Equipment's	60.31	0.10	-	<b>60.41</b>	53.12	-	1.43	-	54.55	5.86	7.19
Operating Equipment	548.74	26.06	-	<b>574.80</b>	289.52	-	40.99	-	330.51	244.29	259.22
Computers	177.45	6.01	-	<b>183.46</b>	93.10	-	29.75	-	122.85	60.61	84.35
<b>Total</b>	<b>26,339.36</b>	<b>293.90</b>	<b>34.96</b>	<b>26,598.30</b>	<b>9,500.68</b>	-	<b>654.73</b>	<b>25.40</b>	<b>10,130.01</b>	<b>16,468.29</b>	<b>16,838.68</b>
Previous Year	25,975.58	383.56	19.78	26,339.36	8,847.36	-	656.84	3.52	9,500.68	16,838.68	

(i) The Judgement by the Hon'ble Supreme Court of India in the Review Petition in respect of Hotel Park Hyatt Goa Resort & Spa may have a material impact as a going concern.

### II) CAPITAL WORK-IN-PROGRESS Refer (ii)

<b>CWIP</b>	<b>163.26</b>	<b>5,197.29</b>	<b>1,008.59</b>	<b>4,351.96</b>	-	-	-	-	-	<b>4,351.96</b>	<b>163.26</b>
Previous Year	46.20	149.81	32.75	163.26	-	-	-	-	-	163.26	

(ii) includes amounts incurred for Delhi Aerocity Hotel Project and Chandigarh Hotel Project.

### III) INTANGIBLE ASSETS

<b>Computer Software</b>	<b>152.44</b>	<b>8.18</b>	-	<b>160.62</b>	<b>88.20</b>	-	<b>19.69</b>	-	<b>107.89</b>	<b>52.73</b>	<b>64.24</b>
Previous Year	88.97	63.47	-	152.44	82.03	-	6.17		88.20	64.24	

### GRAND TOTAL

<b>Current Year</b>	<b>26,655.06</b>	<b>5,499.38</b>	<b>1,043.55</b>	<b>31,110.89</b>	<b>9,588.88</b>	-	<b>674.42</b>	<b>25.40</b>	<b>10,237.90</b>	<b>20,872.99</b>	<b>17,066.18</b>
Previous Year	26,110.75	596.84	52.53	26,655.06	8,929.39	-	663.01	3.52	9,588.88	17,066.18	-

**D) PROPERTY, PLANT AND EQUIPMENTS  
TANGIBLE ASSETS**

(Rs in lakhs )

PARTICULARS	GROSS BLOCK				DEPRECIATION					CARRYING VALUE	
	As at 01.04.16	Additions	Dedu- ctions	As at 31.03.17	As at 01.04.16	Adjust- ment in opening Balance	For the year	Dedu- ctions	As at 31.03.17	As at 31.03.17	As at 31.03.16
Land and Site development											
- Land	1,696.97	-	-	1,696.97	-	-	-	-	-	1,696.97	1,696.97
- Site Development	326.83	-	-	326.83	-	-	-	-	-	326.83	326.83
Buildings				-							
- Hotel	15,831.95	3.07	-	15,835.02	3,159.56	-	246.56	-	3,406.12	12,428.90	12,672.39
- Others	20.42	-	-	20.42	6.80	-	0.32	-	7.12	13.30	13.62
Plant and Equipment	4,475.07	288.70	19.78	4,743.99	2,839.91	-	213.51	3.52	3,049.90	1,694.09	1,635.16
Electrical Installations	809.36	6.07	-	815.43	678.19	-	20.72	-	698.91	116.52	131.17
Furniture's & Fixtures - Hotel	1,599.56	14.84	-	1,614.40	1,410.12	-	76.92	-	1,487.04	127.36	189.45
Furniture's & Fixtures - Others	108.06	0.27	-	108.33	99.30	-	0.73	-	100.03	8.30	8.76
Vehicles	379.34	12.13	-	391.47	280.55	-	35.27	-	315.82	75.65	98.79
Office Equipment's	59.21	1.10	-	60.31	51.84	-	1.28	-	53.12	7.18	7.37
Operating Equipment	509.07	39.67	-	548.74	251.85	-	37.67	-	289.52	259.22	257.23
Computers	159.74	17.71	-	177.45	69.24	-	23.86	-	93.10	84.35	90.51
<b>Total</b>	<b>25,975.58</b>	<b>383.56</b>	<b>19.78</b>	<b>26,339.36</b>	<b>8,847.36</b>	<b>-</b>	<b>656.84</b>	<b>3.52</b>	<b>9,500.68</b>	<b>16,838.68</b>	<b>17,128.27</b>
Previous Year	25,598.95	1,494.01	1,117.38	25,975.58	9,364.27		599.91	1,116.83	8,847.35	17,128.23	

**II) CAPITAL WORK-IN-PROGRESS**

<b>CWIP</b>	<b>46.20</b>	<b>149.81</b>	<b>32.75</b>	<b>163.26</b>						<b>163.26</b>	<b>46.20</b>
Previous Year	1,166.96	220.50	1,341.26	46.20						46.20	

**III) INTANGIBLE ASSETS**

<b>Computer Software</b>	<b>88.97</b>	<b>63.47</b>	<b>-</b>	<b>152.44</b>	<b>82.03</b>	<b>-</b>	<b>6.17</b>	<b>-</b>	<b>88.20</b>	<b>64.24</b>	<b>6.94</b>
Previous Year	79.91	9.06	-	88.97	76.76	-	5.27	82.03	6.94		

**GRAND TOTAL**

<b>Current Year</b>	<b>26,110.75</b>	<b>596.84</b>	<b>52.53</b>	<b>26,655.06</b>	<b>8,929.39</b>	<b>-</b>	<b>663.01</b>	<b>3.52</b>	<b>9,588.88</b>	<b>17,066.18</b>	<b>17,181.41</b>
Previous Year	26,845.82	1,723.57	2,458.64	26,110.75	9,441.03	-	605.18	1,116.83	8,929.38	71,781.41	-

## Notes on Financial Statements for the Year

Ended 31<sup>st</sup> March 2018

(Rs in Lakhs )

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>3 INVESTMENTS (NON-CURRENT )</b>			
<b>A. Trade Investments (At Cost Unless Stated Otherwise)</b>			
<b>(a) Unquoted</b>			
<b>Subsidiary Companies</b>			
(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	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 (i) and (ii)	18,851.00	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	5.00	5.00	5.00
	<u>18,861.00</u>	<u>18,861.00</u>	<u>18,861.00</u>
<b>B. Other Investments (At Cost Unless Stated Otherwise) -</b>			
<b>(a) Quoted</b>			
6,250 (P.Y.6,250) Equity Shares of Rs. 2/- each fully paid-up of ICICI Bank Ltd.	-	1.22	1.22
<b>(b) Unquoted</b>			
15,600 (P.Y.15,600) Equity Shares of Rs.10/- each fully paid up of Joy Hotel & Resorts Pvt. Ltd - Refer Note (iii)	4,275.02	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	2.01
46,800 Equity Shares of Rs.5/- each fully paid up of VMF Softtech Limited	2.34	-	-
	<u>4,279.37</u>	<u>4,278.25</u>	<u>4,278.23</u>
<b>Total (A+B)</b>	<u>23,140.37</u>	<u>23,139.25</u>	<u>23,139.23</u>
<b>Aggregate amount of quoted investment</b>	-	1.22	1.22
<b>Aggregate amount of unquoted investment</b>	23,140.37	23,138.03	23,138.01

- (i) Silver Resort Hotel India Private Limited is contesting the alleged termination of hotel project land by DIAL and a winding up petition filed by DIAL before the Hon'ble High Court. Pending the appeals, no provision for diminution in value of investments has 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.
- (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 Lakhs)			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>4 LOANS</b>			
<b>Unsecured</b>			
(Considered good)			
<b>Financial Assets at amortized cost</b>			
Loans to Employees	-	-	-
<b>Loans &amp; Advances to subsidiaries :-</b>			
Blue Coast Hospitality Limited (Maximum balance outstanding during the year- Rs. 208.03 Lakh)	208.03	206.65	206.53
Golden Joy Hotel Pvt. Limited (Maximum balance outstanding during the year- Rs. 259.83 Lakh*)	259.83	258.27	258.19
	<u>467.86</u>	<u>464.92</u>	<u>464.72</u>
*In view of the pending litigation, no provision has been made for the advances recoverable in respect of hotel project at Amritsar.			
<b>5 OTHER NON CURRENT ASSETS</b>			
<b>Unsecured</b>			
(Considered good)			
Security Deposits	295.34	110.22	101.16
	<u>295.34</u>	<u>110.22</u>	<u>101.16</u>
<b>6 INVENTORIES</b>			
(At cost or Net Realizable Value whichever is lower)			
Stores & Spares	-	126.02	1,190.78
Operating Inventories	198.01	176.60	146.80
	<u>198.01</u>	<u>302.62</u>	<u>1,337.58</u>

The inventory has been taken, valued and certified by the management.

(Rs in Lakhs)			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>7 INVESTMENTS</b>			
<b>Non Trade Investments</b>			
<b>Investments in Mutual Funds</b>			
<u>Quoted</u>			
10,352.820 Units ( PY - 9412.829 Units) of UTI Liquid - Cash Plan- Institutional - Growth	-	250.00	-
(Market value Rs. 2,699.8930 per unit )			
	-	250.00	-
Aggregate value of quoted investment	-	250.00	-
Aggregate market value of quoted investment	-	250.00	-
Investments are stated at cost of acquisition.			
<b>8 TRADE RECEIVABLES</b>			
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)
	-	9.58	24.12
Other Debts			
Unsecured -			
considered good	1,164.58	954.32	548.28
	1,164.58	963.90	572.40
<b>9 CASH AND CASH EQUIVALENTS</b>			
<u>Balances with banks</u>			
i) Current Accounts	924.51	83.55	116.70
ii) Bank Balances held as -			
- Fixed Deposit	-	910.21	6.28
Cash on hand	8.93	14.16	20.00
	933.44	1,007.92	142.98

(Rs in Lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>10 OTHER CURRENT ASSETS</b>			
(Unsecured considered good, unless otherwise stated)			
Balance with Revenue Authorities	948.55	961.82	1,148.79
Loans & advances to employees	12.53	31.22	20.53
Capital Advances for extension of hotel	-	3,531.45	2,250.00
Advances with Suppliers & Others	495.13	298.63	298.87
	<u>1,456.20</u>	<u>4,823.12</u>	<u>3,718.19</u>

**11 I. STATEMENT OF CHANGE IN EQUITY**

**A. Equity Share Capital**

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos. of Shares	Amount (Rs./Lakhs)	Nos. of Shares	Amount (Rs./Lakhs)	Nos. of Shares	Amount (Rs./Lakhs)
<b><u>Authorised</u></b>						
Equity Shares of Rs. 10/- each	26,500,000	2,650.00	26,500,000	2,650.00	26,500,000	2,650.0
<b>Issued , Subscribed &amp; paid up</b>						
Equity Shares of Rs. 10/- each	8,150,000	8,150.00	8,150,000	8,150.00	8,150,000	8,150.00

**Reconciliation of the numbers and amount of Equity shares -**

For the year ended	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos.	Amount (Rs./Lakhs)	Nos.	Amount (Rs./Lakhs)	Nos.	Amount (Rs./Lakhs)
Outstanding at beginning of the year	12,748,457	1,274.85	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	12,748,457	1,274.85

**B. Shareholders holding more than 5% shares -****i) Equity Shares**

Name of Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Ferry Holdings Limited	1,162,162	9.12%	1,162,162	9.12%	1,162,162	9.12%
Jetty Capital Limited	1,150,000	9.02%	1,150,000	9.02%	1,150,000	9.02%
Solace Investment & Financial Services Private Limited Investment & Financial Services Private Limited	1,146,196	8.99%	1,146,196	8.99%	1,146,196	8.99%
Northern Projects Limited*	970,000	7.61%	970,000	7.61%	970,000	7.61%
Seed Securities & services Private Limited	645,311	5.06%	645,311	5.06%	645,311	5.06%
Solitary Investment & Financial Services Private Limited	645,243	5.06%	645,243	5.06%	645,243	5.06%

\* The ownership of Equity Shares held by Northern Projects Limited, Namedi Leasing & Finance Ltd, Morgan Ventures Ltd and Praveen Electronics Pvt. Ltd is in dispute & the matter is pending for adjudications at different foras.

**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 as per law applicable from time to time. During the year, the tenure for the redemption of cumulative redeemable preference shares of Rs 41,50,00,000/- (Rs Forty One Crore Fifty Lakh) has been extended upto fifteen years i.e. upto the year 2032 pursuant to the resolution passed by way of Postal Ballot dated Sept 20, 2017. A minority shareholder has taken an ex-parte order against the above resolution which the company is contesting.
- 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.

**D. There is no call unpaid as on 31.03.2018****E. No shares have been forfeited by the company during the year.**

(Rs in Lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
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## 12 Other Equity

For the year ended March 31, 2018

### Reserves & Surplus

(Rs. in Lakhs)

Particulars	Capital Reserve	General Reserve	"Securities Premium"	Retained Earnings	"Equity instruments through other comprehensive income"	"Other items of other comprehensive income"	Total
Balance as at 1st April 2017	-	1,549.71	8,279.80	1,566.68	-	-	11,396.19
Addition in Investment	-	2.34	-	-	-	-	2.34
Prior Period Adjustments	-	-	-	(109.57)	-	-	(109.57)
Profit for the year	-	-	-	(165.61)	-	-	(165.61)
"Other comprehensive income for the year"	-	-	-	34.98	-	-	34.98
"Total Comprehensive income for the year"	-	2.34	-	(240.20)	-	-	(237.86)
Balance as at 31 March 2018	-	1,552.05	8,279.80	1,326.48	-	-	11,158.33

For the year ended March 31, 2017

### Reserves & Surplus

Balance as at 1st April 2016	-	1,549.71	8,279.80	935.98	-	-	10,765.49
Profit for the year	-	-	-	(1,017.79)	-	-	(1,017.79)
Prior Period Adjustments	-	-	-	1,648.49	-	-	-
"Other comprehensive income for the year"	-	-	-	-	-	-	-
"Total Comprehensive income for the year"	-	-	-	630.70	-	-	630.70
Balance as at 31 March 2017	-	1,549.71	8,279.80	1,566.68	-	-	11,396.19



	(Rs in Lakhs)		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>13 BORROWINGS</b>			
<u>Secured</u>			
Term Loans from Banks	-	-	2.32
Term Loan for Hypothecation purchase	70.80	87.56	-
<u>Unsecured</u>			
Preference Shares	4,150.00	4,150.00	4,150.00
	<u>4,220.80</u>	<u>4,237.56</u>	<u>4,152.32</u>

**A. Term Loan for Hypothecation purchase**

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

Year of Repayment	2018-19	2019-20	2020-21	2021-22
Annual Repayment Amount	18.94	22.65	27.08	18.89
Annual Rate of Interest	18%			

**B. Preference Share Capital**

under the previous GAAP, preference shares were shown as part of equity and carried at cost. Redeemable preference shares contain a contractual obligation to deliver cash to the holders. Under Ind AS the same is classified as liability. Dividend on cumulative preference shares has accordingly been shown as part of finance cost.

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos. of Shares	Amount (Rs./Lakhs)	Nos. of Shares	Amount (Rs./Lakhs)	Nos. of Shares	Amount (Rs./Lakhs)
<u>Authorised</u>						
Preference Shares of Rs. 100/- each	8,150,000	8,150.00	8,150,000	8,150.00	8,150,000	8,150.00
<b>Issued , Subscribed &amp; paid up</b>						
41,50,000, 10% Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up	4,150,000	4,150.00	4,150,000	4,150.00	4,150,000	4,150.00

(Rs in Lakhs)

	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
Reconciliation of the numbers and amount of Preference shares						
	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos.	Amount (Rs./Lakhs)	Nos.	Amount (Rs./Lakhs)	Nos.	Amount (Rs./Lakhs)
Outstanding at beginning of the year	4,150,000	4,150.00	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	4,150,000	4,150.00

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

- The company has two classes of shares referred as equity shares and preference shares having a par value of Rs. 10/- each and par value of Rs. 100/- respectively. Each holder of equity shares is entitled to one vote per share, whereas in terms of Section 47(2) of the Companies Act, 2013 , During the year, the tenure for the redemption of cumulative redeemable preference shares of Rs 41,50,00,000/- ( Rs Forty One Crore Fifty Lakh) has been extended upto fifteen years i.e. upto the year 2032 pursuant to the resolution passed by way of Postal Ballot Sept 20, 2017. A minority shareholder has taken an ex-parte order against the above resolution which the company is contesting.
- 41,50,000 10% cumulative preference shares are redeemable at par. 10% of the cumulative redeemable preference shares shall be redeemed every year commencing from 21st year onwards i.e. w.e.f. 30.10.2023 to 30.10.2032
- Capital Redemption Reserve for redemption of Preference Shares is not created during the year because of unavailability of surplus.

**D. Shareholders holding more than 5% shares -  
Preference Shares**

Name of Shareholder	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Brook Investment & Financial Services Private Limited	350,000	8.43	350,000	8.43	350,000	8.43
Concept Credit & Consultants Private Limited	350,000	8.43	350,000	8.43	350,000	8.43
Epitome Holdings Private Limited	400,000	9.64	400,000	9.64	400,000	9.64
Liquid Holdings Private Limited	400,470	9.65	400,470	9.65	400,470	9.65

Name of Shareholder	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Mid-Med Financial Services Private Limited	399,600	9.63	399,600	9.63	399,600	9.63
React Investment & Financial Services Private Limited	400,000	9.64	400,000	9.64	400,000	9.64
Scope Credit & Financial Services Private Limited	400,000	9.64	400,000	9.64	400,000	9.64
Solace Investment & Financial Services Private Limited	350,000	8.43	350,000	8.43	350,000	8.43
Solitary Investment & Financial Services Private Limited	350,000	8.43	350,000	8.43	350,000	8.43
Square Investment & Financial Services Private Limited	400,000	9.64	400,000	9.64	400,000	9.64
Seed Securities & Services Private Limited	349,930	8.43	349,930	8.43	349,930	8.43

(Rs in Lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>14 OTHER FINANCIAL LIABILITIES (NON-CURRENT)</b>			
Earnest Money Deposit from shops within hotel	50.00	50.00	50.00
Sundry Creditors for Capital Expenditures	48.66	48.66	48.64
	<u>98.66</u>	<u>98.66</u>	<u>98.64</u>
<b>15 PROVISIONS (NON-CURRENT)</b>			
Provision for employees' benefits:-			
-Gratuity (unfunded)	111.84	104.68	93.83
-Leave Encashment (Unfunded)	20.76	60.40	54.75
	<u>132.61</u>	<u>165.08</u>	<u>148.58</u>
<b>16 TRADE PAYABLES</b>			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues other than of micro enterprises and small enterprises*	1,022.01	872.02	626.07
	<u>1,022.01</u>	<u>872.02</u>	<u>626.07</u>

(Rs in Lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
*The company has identified Micro & Small enterprises only 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.			
<b>17 OTHER FINANCIAL LIABILITIES - CURRENT</b>			
i. Working capital loans from banks including interest thereon - Disputed	1,119.12	1,122.55	1,018.84
ii Current maturities of Non Convertible Debentures - Disputed	10,000.00	10,000.00	10,000.00
iii Current maturities of term loans from financial institutions - Disputed	11,368.91	11,368.91	11,368.91
iv Current maturities of term loan from banks - Disputed	-	2.32	2.32
v Current maturities of term loan for hypothecation purchase	18.94	15.85	-
vi Cumulative dividend on Redeemable Preference Shares	6,408.46	5,993.47	5,578.47
vii <u>Employee benefits payable -</u>	109.89	120.32	123.00
-Salaries & benefits	19.52	19.01	16.34
-Provident fund /ESI	66.90	80.24	61.30
-Bonus & incentives	29,111.75	28,722.68	28,169.18

(A) 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, no interest is provided during the year

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

- Non Convertible Debentures together with interest, redemption premium etc. are secured by second 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
- 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-fulfillment 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.

(Rs in Lakhs)			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>c. <u>Current Maturities of Term Loans from financial institutions</u></b>			
The Company has filed a Review Petition before the Hon'ble Supreme Court of India against the judgement dated March 19, 2018 setting aside the order of Hon'ble High Court of Bombay dated March 23, 2015 and thereby upholding the sale of the hotel property at Goa. The Review Petition is pending for disposal before the Hon'ble Supreme Court of India. The outcome may have material impact on the Company as a going concern. The Hotel Property continues to be operated under the brand ' Park Hyatt Goa Resort & Spa" and maintained under the management agreement with Hyatt International.			
<b>d. <u>Detail of Continuing Default in payment of long term borrowings is as under:-</u></b>			
<b>Particulars</b>	<b>Principal (Rs. in Lakh)</b>	<b>Period of default</b>	
Term Loan from financial institutions	11,368.91	up to 6 Years	
Debentures	10,000.00	up to 5 Year	
	<b>21,368.91</b>		
<b>18 <u>OTHER CURRENT LIABILITIES</u></b>			
i. Advance received from customers	<b>534.24</b>	445.13	434.54
ii Direct Tax	<b>59.90</b>	118.18	126.82
iii Indirect Tax	<b>371.04</b>	156.31	185.52
iv Provisions For Expenses Payable	<b>529.26</b>	616.19	489.03
	<b>1,494.44</b>	1,335.81	1,235.91
<b>19 <u>PROVISIONS (CURRENT)</u></b>			
<b>Provision for Income Tax (MAT)</b>			
Provision for taxation of earlier years	-	-	102.74
Provision for Employees' benefits :	-	-	61.17
-Gratuity (unfunded)	<b>10.17</b>	13.97	12.19
-Leave Encashment (Unfunded)	<b>5.16</b>	11.31	10.53
	<b>15.33</b>	<b>25.28</b>	<b>186.63</b>

(Rs in Lakhs)			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>20 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)</b>			
<b>a) Contingent Liabilities</b>			
Guarantees			
- For securing loans of upcoming hotel project at Chandigarh of Joy Hotel & Resorts Private Limited - Refer (i)	6,500.00	6,500.00	6,500.00
- For operation of the company	17.12	17.12	17.12
<b>b) Commitments</b>			
- Estimated amount of contracts remaining to be executed on capital account	-	0.09	250.00
<b>c) Other money for which company is contingently liable</b>			
- Disputed Claim for a short fall of buy back of equity share capital of subsidiary company Silver Resort Hotel India (P) Limited. - Refer (ii)	8,500.00	8,500.00	8,500.00
- Claim for reimbursement of expenses	-	-	354.60
- <b>Income Tax Matters</b>		-	1.16
	<u>15,017.12</u>	<u>15,017.21</u>	<u>15,622.88</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 hotel plot by the Estate Office which had resumed it			
(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 a first charge basis on the hotel property at Goa			
(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			

(Rs in Lakhs)			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>21 REVENUE FROM OPERATIONS</b>			
Room Income	8,876.11	8,739.40	7,592.71
Food & Beverages	2,839.35	2,739.79	2,270.61
Alcoholic Beverages	1,275.65	1,230.92	1,020.13
Communications	0.74	1.81	2.49
Others	497.40	553.98	657.84
	<u>13,489.24</u>	<u>13,265.90</u>	<u>11,543.78</u>
<b>22 OTHER INCOME</b>			
Interest Income	14.79	10.85	0.77
Dividend received on investments	0.22	1.00	0.66
Miscellaneous Income	128.04	101.41	59.97
	<u>143.06</u>	<u>113.26</u>	<u>61.40</u>
<b>23 COST OF MATERIALS, STORES &amp; SUPPLIES CONSUMED</b>			
Stores & Spares			
Opening Stock	126.02	1,190.79	1,498.37
Add : Purchases	357.45	337.56	406.46
	<u>483.47</u>	<u>1,528.35</u>	<u>1,904.83</u>
Less: Closing Stock	-	126.02	1,190.79
Total (a)	<u>483.47</u>	<u>1,402.33</u>	<u>714.04</u>
Operating Inventories			
Opening Stock	176.60	146.80	155.03
Add : Purchases	1,438.38	1,337.82	963.24
	<u>1,614.98</u>	<u>1,484.62</u>	<u>1,118.27</u>
Less: Closing Stock	198.01	176.60	146.80
Total (b)	<u>1,416.97</u>	<u>1,308.02</u>	<u>971.47</u>
<b>Total (a+b)</b>	<u>1,900.44</u>	<u>2,710.35</u>	<u>1,685.51</u>

(Rs in Lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>24 EMPLOYEE BENEFITS EXPENSE</b>			
Salaries and Wages	2,008.57	1,974.11	1,797.60
Gratuity & Leave Encashment	(7.43)	51.36	63.04
Contribution to Provident Fund and ESI	119.52	113.26	114.45
Staff Welfare	409.06	460.96	402.65
	<u>2,529.71</u>	<u>2,599.69</u>	<u>2,377.74</u>
<b>25 FINANCE COST*</b>			
Interest	2,424.42	2,858.55	1,792.04
Bank charges	2.84	10.94	47.03
	<u>2,427.27</u>	<u>2,869.49</u>	<u>1,839.07</u>
Finance cost includes provision for dividend on cumulative redeemable preference shares for the year. Further in view of the pending litigations, no provision for interest or any other charges has been made on secured borrowings from financial institution, bank and debentures.			
<b>26 OTHER EXPENSES</b>			
Telephone	50.92	26.79	26.01
Power & Fuel	835.07	790.60	728.18
Rent	57.30	56.08	51.74
Repair to buildings	379.95	79.82	73.06
Repairs to machinery	1,114.26	544.49	571.75
Insurance	21.82	27.81	44.10
Rates and Taxes	5.41	8.02	5.45
Auditors Remuneration	22.00	29.33	29.20
Legal and Professional Charges	678.67	1,018.24	635.22
Travelling Expenses	334.73	216.75	150.63
Selling and Advertisement Expenses	1,050.20	989.45	915.33
Management fees	938.68	901.72	775.57
Printing & Stationery	35.77	59.28	50.07
Miscellaneous Expenses	741.26	867.18	537.51
	<u>6,266.06</u>	<u>5,615.54</u>	<u>4,593.82</u>



**27. PAYMENT TO STATUTORY AUDITORS**

(Rs in Lakhs)

Particulars	31.03.2018	31.03.2017
Audit Fee	20.00	20.00
Tax Audit Fee	3.00	3.00
Tax Matters	-	2.50
Certification	-	1.24
GST/ Service Tax	4.14	4.01
<b>Total</b>	<b>27.14</b>	<b>30.75</b>

**28. PRIOR PERIOD ITEMS**

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

**29. EMPLOYEE BENEFITS**

Disclosures as per Accounting Standard, Ind AS-19 "Employee Benefits" is as under:-

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

(Rs in Lakhs)

Particulars	31.03.2018	31.03.2017
Employer's contribution to Provident Fund	101.80	99.20
Employer's contribution to Employees State Insurance	17.72	14.05
<b>Total</b>	<b>119.52</b>	<b>113.25</b>

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

(Rs in Lakhs)

i.	Particulars	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
	Change in the present value of obligation :	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Present Value of Obligation as at the beginning of the year	106.01	107.00	65.26	45.32
	Present Value of Obligation as at the beginning of the year	118.65	106.03	71.71	65.28
	Add : Interest Cost	8.84	7.95	5.34	4.90
	Add : Current Service Cost	29.52	27.60	14.01	35.31
	Less : Benefit paid	-	(9.91)	-	(22.41)
	Add : Actuarial gain/ (loss) on obligations	(34.98)	(13.03)	(65.14)	(11.37)
	Present Value of Obligation as at the close of the year	122.02	118.65	25.92	71.71
ii.	Particulars	Gratuity (funded)		Leave Encashment (Un-funded)	
	Change in the fair value of Plan Assets :	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	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)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Expense recognized in the Statement of Profit and Loss				
Current Service Cost	29.52	27.60	14.01	35.31
Add: Interest Cost	8.84	7.95	5.34	4.90
Less: Expected Return On Plan Assets	-	-	-	-
Less: Settlement Credit	-	-	-	-
Add: Net actuarial (gain)/ loss recognized	-	(13.03)	(65.14)	(11.37)
Total expenses recognized in Statement of Profit & Loss	38.36	22.53	(45.79)	28.83

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)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Discount Rate	7.45%	7.20%	7.45%	7.20%
Expected Return on Assets	0.00%	0.00%	0.00%	0.00%
Salary Escalation	10.00%	10.00%	10.00%	10.00%
Attrition Rate	15.00%	15.00%	15.00%	15.00%

### 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. INCOME TAX

As required by Indian Accounting Standard "Income-taxes" i.e. (Ind-AS) issued by Institute of Chartered Accountants of India, deferred tax asset on accumulated losses, is not recognized as a matter of prudence.

### 32. EARNING PER SHARE:

	31.03.2018	31.03.2017
Profit/(Loss) available for equity share holders	(165.61)	(1,017.75)
Add: Dividend on cumulative preference shares (Convertible)	-	-
Adjusted Profit/(Loss) available for equity share holders	(165.61)	(1,017.75)
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)	(1.31)	(7.98)
Diluted earnings per share in rupees (face value - Rs.10 per share)	(1.31)	(7.98)

- 33 In the opinion of management, there is no impairment condition exists as on 31st March, 2018. Hence no provision is required in the accounts for the current period ending.

34 **RELATED PARTY DISCLOSURES**

Disclosure as required by the Ind AS-24 "Related Party Disclosures" 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 (upto 17.03.2018)
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	-
		Maximum balance outstanding during the year	-
ii.	Associate Company	Nil	
iii.	Key Management Personnel	Remuneration / Perquisites	69.80
		Closing balance (Payable) / Recoverable	-
		Maximum balance outstanding during the year	-
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 31.03.2018 (Payable / Recoverable)	-
		Maximum balance outstanding during the year - Receivable	-

**35. Foreign Exchange Earnings**

(Rs. In Lacs)

Particulars	31.03.2018	31.03.2017
Receipts from operations	4,264.28	3,870.30
<b>Expenditure in Foreign Currency</b>		
Particulars	31.03.2018	31.03.2017
Capital Goods	-	40.05
Others	773.17	1,685.53

**36. OTHERS SIGNIFICANT DISCLOSURES**

- 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.
- 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.
- 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

**37. FIRST TIME ADOPTION OF Ind AS**

This financial statement is the first financial statement that has been prepared in accordance with Ind AS together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant Accounting Policies. The transition to Ind AS has been carried out in accordance with Ind AS 101–‘First time adoption of Indian Accounting Standards’ with 1st April 2016 as the transition date.

This note explains the exemptions availed by the company on first time adoption of Ind AS and the principal adjustments made by the Company in restating its Indian GAAP financial statements as at 1st April 2016 and financial statements as at and for the year ended 31st March 2017 in accordance with Ind AS 101.

**Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has, accordingly, applied following exemptions:

- The Company has elected to consider carrying amount of all items of property, plant and equipment's measured as per Indian GAAP as recognized in the financial statements as at the date of transition, as deemed cost at the date of transition. The effect of consequential changes arising on the application of other Ind AS has been adjusted to the deemed cost of Property, Plant & Equipment.
- The Company has adopted to measure investments in subsidiaries at cost in accordance with Ind AS 27 and therefore has measured such investments in its separate opening Ind AS balance sheet at carrying amount as per Indian GAAP at the date of transition in accordance with Ind AS 101.
- The Company has availed the exemption of fair value measurement of financial assets or liabilities at initial recognition and accordingly will apply fair value measurement of financial assets or liabilities at initial recognition prospectively to transactions entered into on or after 01st April 2016.

d) The estimates at 1st April 2016 and at 31st March, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items under Indian GAAP did not require estimation:

- Fair values of Financial Assets & Financial Liabilities
- Impairment of financial assets based on expected credit loss modal
- Discount rates

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1st April, 2016 and 31st March, 2017.

**Disclosure as required by Ind AS 101- First time adoption of Indian Accounting Standards**

Reconciliation of Equity -

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2017			As at 1 <sup>st</sup> April 2016		
	As per Indian GAAP	IND AS Adjustments	As per IND AS	As per Indian GAAP	IND AS Adjustments	As per IND AS
<b><u>ASSETS</u></b>						
<b>Non-current assets</b>						
Property Plant and Equipment	16,838.68	-	16,838.68	17,128.27	-	17,128.27
Capital Work In Progress	163.26	-	163.26	46.20	-	46.20
Intangible Assets	64.24	-	64.24	6.94	-	6.94
Financial Assets :			-			-
Investments	23,139.25	-	23,139.25	23,139.23	-	23,139.23
Loans	464.92	-	464.92	464.72	-	464.72
Other Financial Assets	-	-	-	-	-	-
Other Non-Current Assets	110.22	-	110.22	101.16	-	101.16
<b>Total Non-current assets</b>	<b>40,780.57</b>	<b>-</b>	<b>40,780.57</b>	<b>40,886.52</b>	<b>-</b>	<b>40,886.52</b>
<b>Current assets</b>						
Inventories	302.62	-	302.62	1,337.58	-	1,337.58
Financial Assets :			-			-
Investments	250.00	-	250.00	-	-	-
Trade receivables	963.90	-	963.90	572.40	-	572.40
Cash and Cash Equivalents	1,007.92	-	1,007.92	142.98	-	142.98
Bank Balances other than Cash and Cash Equivalents	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other current Assets	4,823.12	-	4,823.12	3,718.19	-	3,718.19
<b>Total Current Assets</b>	<b>7,347.56</b>	<b>-</b>	<b>7,347.56</b>	<b>5,771.15</b>	<b>-</b>	<b>5,771.15</b>
<b>Total Assets</b>	<b>48,128.13</b>	<b>-</b>	<b>48,128.13</b>	<b>46,657.67</b>	<b>-</b>	<b>46,657.67</b>

<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Equity Share Capital	1,274.85	-	1,274.85	1,274.85	-	1,274.85
(b) Other equity	5,236.19	(4,344.98)	891.21	5,838.98	4,926.51	10,765.49
<b>Total Equity</b>	<b>6,511.04</b>	<b>(4,344.98)</b>	<b>2,166.06</b>	<b>7,113.83</b>	<b>4,926.51</b>	<b>12,040.34</b>
<b>1 Liabilities</b>						
Non-current Liabilities						
Financial Liabilities						
Borrowings	4,237.56	-	4,237.56	4,152.32	-	4,152.32
Other Financial liabilities	98.66	-	98.66	98.64	-	98.64
Long term provisions	165.08	-	165.08	148.58	-	148.58
<b>Total Non-current Liabilities</b>	<b>4,501.30</b>	<b>-</b>	<b>4,501.30</b>	<b>4,399.54</b>	<b>-</b>	<b>4,399.54</b>
<b>2 Current Liabilities</b>						
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	872.02	-	872.02	626.07	-	626.07
Other Financial Liabilities	34,882.68	4,344.98	39,227.66	33,095.69	(4,926.51)	28,169.18
Other Current Liabilities	1,335.81	-	1,335.81	1,235.91	-	1,235.91
Provisions	25.28	-	25.28	186.63	-	186.63
<b>Total Current Liabilities</b>	<b>37,115.79</b>	<b>4,344.98</b>	<b>41,460.77</b>	<b>35,144.30</b>	<b>(4,926.51)</b>	<b>30,217.79</b>
<b>Total Equity and Liabilities</b>	<b>48,128.13</b>	<b>-</b>	<b>48,128.13</b>	<b>46,657.67</b>	<b>-</b>	<b>46,657.67</b>

<b>Reconciliation of Total Comprehensive Income for the year ended March 31, 2017</b>				(₹ in Lakhs)
<b>Particulars</b>	<b>As per Indian GAAP</b>	<b>IND AS Adjustments</b>	<b>As per IND AS</b>	
Revenue from Operations (Net)	13,265.90	-	13,265.90	
Other Income	113.26	-	113.26	
<b>Total revenue</b>	<b>13,379.16</b>	<b>-</b>	<b>13,379.16</b>	
<b>Expenses :</b>				
Cost of materials Consumed	2,710.35	-	2,710.35	
Employee benefits expense	2,599.69	-	2,599.69	
Finance costs	2,454.49	415.00	2,869.49	
Depreciation and amortization	663.01	-	663.01	
Other expenses	5,615.54	-	5,615.54	
<b>Total Expenses</b>	<b>14,043.08</b>	<b>415.00</b>	<b>14,458.08</b>	
<b>Profit before Tax</b>	<b>(663.92)</b>	<b>(415.00)</b>	<b>(1,078.92)</b>	
Tax expense Prior Period	61.17	-	61.17	
Tax (MAT)	-	-	-	
MAT Credit Entitlement	-	-	-	

<b>Profit for the Year</b>	<u>(602.75)</u>	<u>(415.00)</u>	<u>(1,017.75)</u>
<b><u>Other Comprehensive Income</u></b>			
<b>Items that will not be reclassified to profit or loss -</b>	-	-	-
Remeasurements of the defined benefit plans	-	-	-
<b>Total Comprehensive Income for the period</b>	<u>(602.75)</u>	<u>(415.00)</u>	<u>(1,017.75)</u>

**Notes to the reconciliation of equity as at 1st April 2016 and 31st March 2017 and Total comprehensive income for the year ended 31st March 2017**

**1. Defined benefit obligation**

Under Ind AS, remeasurements i.e. actuarial gains and losses are to be recognized in 'Other Comprehensive Income' and are not to be reclassified to profit and loss in a subsequent period. Under the Indian GAAP, these remeasurements were forming part of the profit or loss. Therefore, actuarial gain/loss amounting to Rs. 61.67 Lakhs for the financial year 2016-17 has been recognized in OCI, which was earlier recognised as Employee benefits expense. However, the same has no impact on the total equity as at 31st March, 2017

**2. Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on statement of cash flows.

## **Independent Auditors' Report on the Consolidated Ind AS Financial Statements**

To

**The Members of Blue Coast Hotels Limited**

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

We have audited the accompanying consolidated Ind AS financial statements of **BLUE COAST HOTELS LIMITED** (hereinafter referred to as the “the Holding Company”) and its subsidiaries (collectively referred to as “the Company” or “the group”), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the “consolidated Ind AS financial statements”).

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the “Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group is responsible for maintenance of adequate 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; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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 consolidated Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of preparation of the consolidated Ind AS 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 Ind AS financial statements.

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



### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 Group as at March 31, 2018, and their consolidated loss, consolidated total comprehensive loss, their consolidated cash flows and consolidated statement of changes in equity 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:

1. Refer Note No. 17 (B)

The Company has filed a Review Petition before the Hon'ble Supreme Court of India against the judgement dated 19.03.2018 setting aside the order of the Hon'ble High Court of Bombay dated 23.03.2015 and thereby upholding the sale of the hotel property at Goa. The Review Petition is pending for disposal before the Hon'ble Supreme Court of India. The outcome may have the material impact as a going concern. The Hotel Property continues to be operated under the brand "Park Hyatt Goa Resort & Spa" and maintained under the management agreement with Hyatt International.

2. Refer Note 2 (ii)

Capital Works in Progress includes amounts incurred by the Company for the Delhi Aerocity Hotel Project (Rs 3449.67 Lakh) and Chandigarh Hotel Project (Rs 846.95 Lakh)

3. Refer Note 3(i)

During the year, Silver Resort Hotel India Private limited, the subsidiary of the Company, has filed an appeal before the Hon'ble High Court of Delhi challenging the alleged termination of the Development Agreement and Infrastructure Development Services Agreement. Pursuant to the Arbitral Tribunal Award, DIAL has deposited a sum of Rs 7698.66 Lakh with the Hon'ble High Court of Delhi in a representative suit filed by the unit holders of the Aerocity Hotel Project. Further, DIAL has also filed a winding up petition against the Company for recovery of Rs 9588.97 Lakh towards the licence fee, advance development cost and interest etc thereon which was challenged by the Company before the Hon'ble High Court 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 disposal of the Appeals, no provision for licence fee and interest on overdue payments has been made after the date of alleged termination.

4. Refer Note 3(iii)

The shareholding held by the Company in Joy Hotel & Resorts Private Limited is pledged with the bank & financial institution which has extended the credit facilities the funds for implementing the Chandigarh hotel project.

5. Refer Note 4 & 20

The outcome of the pending litigation in the subsidiary company Golden Joy Hotel Resort Private Limited with respect to Amritsar Hotel Project may have an impact on investment made by the Company.

6. Refer Note 11 (B)

The ownership in equity shares held by Northern Projects Limited, Morgan Ventures Ltd and Praveen Electronics Pvt Ltd and is in dispute and the matter is pending adjudication at different forums.

7. Refer Note 11 (C)

During the year, the tenure for the redemption of cumulative redeemable preference shares of Rs 41,50,00,000/- (Rs Forty One Crore Fifty Lakh) has been extended upto fifteen years i.e. upto the year 2032 pursuant to the resolution passed by way of Postal Ballot Sept 20, 2017. A minority shareholder has taken an ex-parte order against the above resolution which the company is contesting.

8. Refer Note 17  
The Company is contesting the suit filed by the Debenture holder and in view of the pending litigation, no debenture redemption reserve is created,
9. Refer Note 20 (i)  
The company has given a guarantee of Rs. 6500 Lakh to Banks/ Financial institutions for loan taken by Joy Hotel Private Limited for setting up a five-star hotel project at Chandigarh which 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 hotel plot by the Estate Office which had resumed it
10. Refer Note 20 (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 a first charge basis on the hotel property at Goa.
11. Refer Note 25  
Finance cost includes provision for dividend on cumulative redeemable preference shares for the year. Further in view of the pending litigations, no provision for interest or any other charges has been made on secured borrowings from financial institution, bank and debentures.
12. Refer Note 10  
The outcome of the litigations in the subsidiary company may have a material impact on the investments in subsidiary companies in respect of Delhi Aerocity Hotel Project and Amritsar Hotel Project and the investment in Joy Hotel & Resorts Pvt. Ltd for the Chandigarh Hotel Project
13. Refer Note 11  
During the year, the Company Silver Resort Hotel India Private Limited, the subsidiary company, has filed an appeal before the Hon'ble High Court of Delhi challenging the termination of the Development Agreement & Infrastructure Development & Services Agreement. Pursuant to the Arbitral Tribunal Award, DIAL deposited a sum of Rs 76,98,66,102.00 (PY Nil) with the Hon'ble High Court of Delhi in a representative suit filed by the Unit Holders of the Aerocity Hotel Project. Further, DIAL has also filed a winding up petition against the Company for recovery of Rs 9588.97 Lakh towards the license fee, advance development cost and interest thereon, which was challenged by the Company before the Hon'ble High Court 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 disposal of the Appeals, no provision for licence fee and interest on overdue payments has been made after the date of the alleged termination.
14. Refer Note 12  
Provision of interest includes an amount of Rs 110.91 Lakh (PY RS 110.91 Lakh) towards the claim of the Concept Design Architect Wimberley Allison Tong & Goo (UK) Ltd. (WATG) which had invoked an arbitration against the Company Silver Resort Hotel India Private Limited, subsidiary company, seeking payment of alleged fees for project drawings not delivered with respect to the Delhi Hotel Project. WATG has filed an Execution Petition (EP) against the Company seeking execution of the award of the Sole Arbitrator. The EP is also pending disposal.
15. Refer Note 13  
Other Current Liabilities of Rs 13424.68 Lakh includes Rs 11928.27 Lakh spent by the co-developer on behalf of the Subsidiary Company Silver Resort Hotel India Private Limited for implementing the Delhi Aerocity Hotel Project as per the Agreement.

## 16. Refer Note 14

The Company Golden Joy Hotel India Private Limited, subsidiary company, is 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 Lakh which is being contested and in view of the pending litigation, no provision for amounts payable under the concession agreement is made.

In view of the above, the assumption of the going concern is dependent upon realisation of the various initiatives undertaken by the Company, outcome of the Review Petition before the Hon'ble Supreme Court of India and other court cases and / or ability of the Company to raise requisite finances / generate cash flows in future to meet its obligations including financial support to its subsidiary companies.

## 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 2018 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 2018 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.
  - (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;

For **DEWAN AND GULATI**  
Chartered Accountants  
(Firm's Registration No. 03881N)

**CA (Dr) Sunil Gulati**  
Partner  
(Membership No. 082929)

Place : New Delhi  
Date : 29-May-2018

## **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 Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Blue Coast Hotels Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

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

The respective Boards of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies, which are companies incorporated in India.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting

includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 2018, 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 ICAI.

For **DEWAN AND GULATI**  
Chartered Accountants  
(Firm's Registration No. 03881N)

**CA (Dr) Sunil Gulati**  
Partner  
(Membership No. 082929)

Place : New Delhi  
Date : 29-May-2018

## Consolidated Balance Sheet

As at 31<sup>st</sup> March, 2018

		(₹ in Lakhs)		
	Notes	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
<b>A ASSETS</b>				
<b>1. NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	2	54,727.69	55,098.79	56,472.09
Capital Work In Progress	2	15,776.86	15,960.35	6,704.25
Intangible Assets	2	180.33	552.19	494.89
Financial Assets :				
Investments	3	4,279.37	4,278.25	4,278.23
Other Non-Current Assets	4	303.18	118.05	564.65
		<u>75,267.43</u>	<u>76,007.63</u>	<u>68,514.11</u>
<b>2. CURRENT ASSETS</b>				
Inventories	5	198.01	302.62	1,337.59
Financial Assets :				
Investments	6	1.65	256.02	701.31
Trade Receivables	7	1,164.58	963.90	572.40
Cash and Cash Equivalents	8	941.12	1,022.98	150.36
Other Current Assets	9	1,481.07	4,833.77	5,238.30
		<u>3,786.43</u>	<u>7,379.29</u>	<u>7,999.96</u>
<b>Total</b>		<u>79,053.86</u>	<u>83,386.92</u>	<u>76,514.07</u>
<b>B EQUITY AND LIABILITIES</b>				
<b>1. EQUITY</b>				
Equity Share Capital	10	1,274.85	1,274.85	1,274.85
Other Equity	11	11,097.33	11,335.64	10,705.51
		<u>12,372.18</u>	<u>12,610.49</u>	<u>11,980.36</u>
<b>2. MINORITY INTEREST</b>	12	8,478.79	8,478.79	8,478.79
<b>3. NON - CURRENT LIABILITIES</b>				
Financial Liabilities :				
Borrowings	13	4,220.80	4,237.56	4,152.32
Other Financial Liabilities	14	98.66	98.66	98.64
Provisions	15	132.61	165.08	148.58
		<u>4,452.07</u>	<u>4,501.30</u>	<u>4,399.54</u>
<b>4. CURRENT LIABILITIES</b>				
Financial Liabilities :				
Trade Payables	16	1,023.79	876.27	721.01
Other Financial liabilities	17	39,287.03	38,897.82	49,141.22
Other Current Liabilities	18	13,424.68	17,996.96	1,606.53
Provisions	19	15.33	25.28	186.62
		<u>53,750.83</u>	<u>57,796.34</u>	<u>51,655.38</u>
<b>Total</b>		<u>79,053.86</u>	<u>83,386.92</u>	<u>76,514.07</u>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1			
<b>NOTES ON FINANCIAL STATEMENTS</b>	2-37			

As per our separate report of even date

**For Dewan & Gulati**  
Chartered Accountants  
(Firm Regn. No. 003881N )

**CA. (Dr.) Sunil Gulati**  
Partner  
M No. 082929

Place : New Delhi  
Date : 29.05.2018

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 &  
Company Secretary

**(Madan Gopal Khanna)**  
Director  
DIN : 00330460

## Consolidated Statement of Profit and Loss

For the year ended March 31, 2018

(₹ in Lakhs)

	Notes	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>REVENUE</b>			
Revenue from operations	21	13,489.24	13,265.90
Other Income	22	143.06	113.26
<b>Total Income (I)</b>		<b>13,632.30</b>	<b>13,379.16</b>
<b>EXPENSES</b>			
Cost of materials Consumed	23	1,900.44	2,710.35
Employee benefits expense	24	2,529.71	2,599.69
Finance Costs	25	2,427.27	2,869.49
Depreciation and Amortization Expense	2	674.40	663.01
Other expenses	26	6,266.54	5,616.11
<b>Total expenses (II)</b>		<b>13,798.37</b>	<b>14,458.65</b>
<b>Profit before Tax</b>		<b>(166.07)</b>	<b>(1,079.49)</b>
<b><u>Tax Expense</u></b>			
Earlier Years		—	61.17
Tax (MAT)		—	—
MAT Credit Entitlement		—	—
<b>Profit for the Year (III)</b>		<b>(166.07)</b>	<b>(1,018.32)</b>
<b><u>Other Comprehensive Income</u></b>			
Items that will not be reclassified to Profit & Loss :		—	—
Actuarial Gain/(Loss) on Employee Benefits		34.98	—
Other Comprehensive Income for the Year (IV)		—	—
<b>Total Comprehensive Income for the Year (III+IV)</b>		<b>(131.09)</b>	<b>(1,018.32)</b>
Earning per equity share ( Face Value of Rs.10/- each)	31		
(1) Basic		(1.31)	(7.99)
(2) Diluted		(1.31)	(7.99)
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
<b>NOTES ON FINANCIAL STATEMENTS</b>			
	1		
	2-37		

As per our separate report of even date

**For Dewan & Gulati**  
Chartered Accountants  
(Firm Regn. No. 003881N )

**CA. (Dr.) Sunil Gulati**  
Partner  
M No. 082929

Place : New Delhi  
Date : 29.05.2018

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 &  
Company Secretary

**(Madan Gopal Khanna)**  
Director  
DIN : 00330460



## Consolidated Cash Flow Statement

For the year ended March 31, 2018

		(₹ in Lakhs)
	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before Tax and extraordinary items	(166.07)	(1,018.32)
Adjustments for :		
Prior Periods	–	1,648.49
Depreciation for the year	674.40	663.01
Tax Expense Prior period	(109.57)	(61.17)
Finance cost	2,427.27	2,869.49
Investment incorporated in books	2.34	–
OCI Gratuity	34.98	–
	<u>3,029.43</u>	<u>5,119.82</u>
<b>Operating profit before working capital changes</b>	<b>2,863.36</b>	<b>4,101.50</b>
<b><u>Changes in current assets and current liabilities</u></b>		
Trade Receivables	(200.68)	(391.51)
Other Current Assets	3,352.70	404.53
Inventories	104.61	1,034.97
Current liabilities	<u>536.73</u>	<u>(10,088.14)</u>
<b>Cash generated from operations</b>	<b>6,656.73</b>	<b>(4,938.65)</b>
Tax Expense Prior period	–	61.17
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b><u>6,656.73</u></b>	<b><u>(4,877.48)</u></b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Property, Plant & Equipment's (Net)	252.02	(8,603.12)
Long Term Loans & Advances	(16.76)	85.24
Purchase of Investments	254.37	445.29
Investment in Other Non-Current Assets	(186.25)	446.58
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b><u>303.39</u></b>	<b><u>(7,626.02)</u></b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Finance cost (net)	(2,427.27)	(2,869.49)
Other Non Current Liabilities	(32.48)	16.51
Change in Other Long Term Liabilities & Provisions (Net)	(4,582.23)	16,229.09
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b><u>(7,041.98)</u></b>	<b><u>13,376.12</u></b>
Net Increase/(Decrease) in Cash and Cash equivalents(A+B+C)	(81.86)	872.62
Cash and Cash equivalents as at beginning of the year	1,022.98	150.36
<b>Cash and Cash equivalents as at end of the year</b>	<b>941.12</b>	<b>1,022.98</b>
Bank Balances other than Cash and Cash Equivalents		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1	
<b>NOTES ON FINANCIAL STATEMENTS</b>	2-37	

As per our separate report of even date

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Chairman & Managing Director  
DIN : 00012028

(Dilip Bhagtani)  
Chief Financial Officer &  
Company Secretary

(Madan Gopal Khanna)  
Director  
DIN : 00330460



## I. Company Overview and Significant Accounting Policies

### Company Overview

Blue Coast Hotels Limited ("the Company") is a Public limited company incorporated and domiciled in India and has its listing on the BSE Limited and National Stock Exchange of India Limited. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The Company has its hotel situated in the state of Goa. The Company is in the business of Hospitality.

#### 1.1 Basis for preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements for the year ended March 31, 2018 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. For all periods up to and including the year ended March 31, 2017, the Company reported its Financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'IGAAP'). The Financial statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 1, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from IGAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note.

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

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

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

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on May 29, 2018.

### Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

### Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

### Operating Cycle

Based on the nature of products/activities of the company and normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### 1.2 Use of Estimates and Judgements

The presentation of financial statements in conformity with Ind AS requires the management of the company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported balances of assets and liabilities, disclosures of contingent assets and liabilities as at the date of financial statements and the reported amount of revenues and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provisions for income taxes, useful life of depreciable assets and provisions for impairments & others.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate

changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

### 1.3. Property, Plant and Equipment (PPE)

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

- a) Free hold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected significant costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.
- b) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.
- c) Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- d) The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

### 1.4 Intangible Assets and Amortisation

#### Internally generated Intangible Assets - Research and Development expenditure

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset and/or benefits are expected over more than one period, otherwise such expenditure is charged to the Statement of Profit and Loss.

Expenditure providing benefits for more than one period is amortised proportionately over the periods during which benefits are expected to occur.

#### Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

### 1.5 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

- a) Depreciation on fixed assets is provided on straight-line method at the rates prescribed by the schedule II of the Companies Act, 2013 and in the manner as prescribed by it except assets costing less than Rs. 5000/- on which depreciation is charged in full during the year.
- b) Intangible assets are amortized over their respective individual estimated useful life on straight line basis, commencing from the date the asset is available to the company for its use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, etc. The amortization method and useful lives are reviewed periodically at end of each financial year.

### 1.6. Valuation of inventories

Stocks of raw materials and other ingredients have been valued on First in First Out (FIFO) basis, at cost or net realizable value whichever is less, finished goods and stock-in-trade have been valued at lower of cost and net realizable value, work-in-progress is valued at raw material cost up to the stage of completion, as certified by the management on technical basis. Goods in transit are carried at cost.

**1.7. Foreign Currency Transactions / Translations**

- i) Transactions denominated in foreign currency are recorded at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.
- ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
- iii) Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- iv) Foreign exchange differences recorded as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.
- v) In case of long term monetary items outstanding as at the end of year, exchange differences arising on settlement / restatement thereof are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / up to the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.

**1.8 Dividends**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

**1.9 Leases**

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of minimum lease payments at the inception of lease, whichever is lower. Lease under which the risks and rewards incidental to ownership are not transferred to lessee, is classified as operating lease. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term.

**2.0 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

**i) Initial Recognition and measurement**

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

**ii) Subsequent measurement****a) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- c) Financial assets at fair value through profit or loss (FVTPL)  
A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.
- d) Investments in subsidiaries, joint ventures and associates  
The Company has adopted to measure investments in subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.
- e) Financial liabilities  
Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.  
**Financial liabilities at FVTPL**  
Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.  
**Other Financial liabilities**  
Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.  
For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.
- iii) **Derecognition of financial instruments**  
A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.
- iv) **Fair value measurement of financial instruments**  
The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.  
Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.  
In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

## 2.1 Impairment of Assets

### i) Financial Assets

In accordance with Ind AS 109, the company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

### ii) Non-Financial Assets

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

## **2.2 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- a) Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is exclusive of taxes and duties and net of returns, trade discounts and rebates.
- b) Dividend income is accounted for when the right to receive the income is established.

## **2.3 Interest**

Interest income from a financial asset is recognized when it is probable that the economic benefits will be flow to the company and the amount of income can be measured reliably.

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

## **2.4 Income Taxes**

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## **2.5 Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## **2.6 Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to

net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

## 2.7 Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to the 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 the 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 at beginning of the period, unless they have been issued at a later date.

## 2.8 Employee Retirement benefits

### i) 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 recognised in the statement of profit and loss in the period in which the employee renders the related service.

### ii) Post-employment benefits

#### **Defined contribution plans –**

Retirement benefits in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

#### **Defined benefit plans –**

##### **Gratuity**

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

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected cost method. Re-measurements comprising of actuarial gains and losses, are recognised in other comprehensive income which are not reclassified to profit or loss in the subsequent periods.

### iii) Long-term employee benefits

#### **Leave Encashment**

The liability of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

## 2.9 Segment Reporting

The company operates in one reportable business segment i.e. "Hospitality".

## 3.0 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.



## 2 I) PROPERTY, PLANT AND EQUIPMENTS TANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION						CARRYING VALUE	
	As at 01.04.17	Additions	Dedu- ctions	As at 31.03.18	As at 01.04.17	Adjustment in opening Balance	For the year	Capita- lized to CWIP	Dedu- ctions	As at 31.03.18	As at 31.03.18	As at 31.03.17
Land and Site development - Refer (i)												
- Land	39,954.15	—	—	39,954.15	—	—	—	—	—	—	39,954.15	39,954.15
- Site Development	326.83	—	—	326.83	—	—	—	—	—	—	326.83	326.83
Buildings - Refer (ii)												
- Hotel	15,835.02	—	—	15,835.02	3,406.12	—	246.57	—	—	3,652.69	12,182.33	12,428.90
- Others	20.42	—	—	20.42	7.12	—	0.32	—	—	7.44	12.98	13.30
Plant and Equipment	4,746.63	160.53	—	4,907.16	3,051.30	—	241.64	0.27	—	3,293.21	1,613.94	1,695.33
Electrical Installations	815.44	0.51	0.19	815.76	698.91	—	20.68	—	0.11	719.48	96.28	116.53
Furniture's & Fixtures - Hotel	1,614.41	16.04	—	1,630.44	1,487.04	—	42.31	—	—	1,529.35	101.10	127.37
Furniture's & Fixtures - Others	108.33	—	—	108.33	100.03	—	0.91	—	—	100.94	7.40	8.30
Vehicles	391.47	84.67	34.78	441.36	315.82	—	30.12	0.02	25.29	320.66	120.68	75.65
Office Equipment's	60.60	0.10	—	60.70	53.32	—	1.43	—	—	54.75	5.95	7.28
Operating Equipment	548.74	26.06	—	574.80	289.57	—	40.99	—	—	330.56	244.24	259.18
Computers	181.96	6.01	—	187.97	95.97	—	29.75	0.42	—	126.14	61.82	85.99
<b>Total</b>	<b>64,603.99</b>	<b>293.90</b>	<b>34.96</b>	<b>64,862.93</b>	<b>9,505.20</b>	<b>—</b>	<b>654.71</b>	<b>0.71</b>	<b>25.40</b>	<b>10,135.22</b>	<b>54,727.69</b>	<b>55,098.80</b>
Previous Year	65,323.06	383.56	19.78	65,686.84	8,847.36	—	656.84		3.52	9,500.68	56,186.16	56,472.09

### II) CAPITAL WORK-IN-PROGRESS ( Refer (iii) )

CWIP	15,960.35	6,198.48	6,381.96	15,776.87	—	—	—	—	—	—	15,776.86	15,960.35
Previous Year	6,704.25	149.81	32.75	6,821.31	—	—	—	—	—	—	6,821.31	6,704.25

### III) INTANGIBLE ASSETS

Preliminary Expenses	487.95		360.34	127.61							127.60	487.95
Computer Software	152.44	8.18	—	160.62	88.20	—	19.69		—	107.89	52.73	64.24
<b>Total</b>	<b>640.39</b>	<b>8.18</b>	<b>360.34</b>	<b>288.23</b>	<b>88.20</b>	<b>—</b>	<b>19.69</b>		<b>—</b>	<b>107.89</b>	<b>180.33</b>	<b>552.19</b>
Previous Year	576.92	63.47	—	640.39	82.03	—	6.17			88.20	552.19	494.89

### GRAND TOTAL

<b>Current Year</b>	<b>81,204.73</b>	<b>6,500.57</b>	<b>6,777.26</b>	<b>80,928.04</b>	<b>9,593.40</b>	<b>—</b>	<b>674.40</b>		<b>25.40</b>	<b>10,243.11</b>	<b>70,684.89</b>	<b>71,611.34</b>
Previous Year	72,604.23	596.84	52.53	73,148.54	8,929.39	—	663.01		3.52	9,588.88	63,559.66	63,671.23

- (i) Silver Resort Hotel India Private Limited, the subsidiary company is contesting the alleged termination of the Hotel Plot by DIAL and winding up petition filed against it by DIAL before the Hon'ble High Courts and the outcome of these litigations may have a material impact on the ability of the company as a going concern.
- (ii) The Judgement of the Hon'ble Supreme Court of India with respect to the Hotel Park Hyatt Goa Resort & Spa in the Review Petition may have a material impact as a going concern.
- (iii) Silver Resort Hotel India Private Limited had entered into an Amendment Agreement to the Joint Development Agreement with its Co-developer and pursuant to this Agreement, the Co-developer transfers the expenditure incurred by it in relation to the Delhi Aerocity Hotel Project and the same is shown under the head " Capital Works-in-Progress" pending reconciliation. The Company recognizes the Capital Works in Progress in its books of accounts pursuant to the Agreement executed between the Company and the subsidiary company.

**I) PROPERTY, PLANT AND EQUIPMENTS  
TANGIBLE ASSETS**

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION					CARRYING VALUE	
	As at 01.04.16	Additions	Dedu- ctions	As at 31.03.17	As at 01.04.16	For the year	Capita- lized to CWIP	Dedu- ctions	As at 31.03.17	As at 31.03.17	As at 31.03.16
Land and Site development											
- Land	41,036.99	—	1,082.84	39,954.15	—	—	—	—	—	39,954.15	41,036.99
- Site Development	326.83	—	—	326.83	—	—	—	—	—	326.83	326.83
Buildings											
- Hotel	15,831.95	3.07	—	15,835.02	3,159.56	246.56	—	—	3,406.12	12,428.90	12,672.39
- Others	20.42	—	—	20.42	6.80	0.32	—	—	7.12	13.30	13.62
Plant and Equipment	4,477.71	288.70	19.78	4,746.63	2,841.06	213.51	0.25	3.52	3,051.30	1,695.33	1,636.65
Electrical Installations	809.37	6.07	—	815.44	678.19	20.72	—	—	698.91	116.53	131.18
Furniture's & Fixtures - Hotel	1,599.57	14.84	—	1,614.41	1,410.12	76.92	—	—	1,487.04	127.37	189.45
Furniture's & Fixtures - Others	108.06	0.27	—	108.33	99.30	0.73	—	—	100.03	8.30	8.76
Vehicles	379.34	12.13	—	391.47	280.55	35.27	—	—	315.82	75.65	98.79
Office Equipments	59.50	1.10	—	60.60	52.04	1.28	—	—	53.32	7.28	7.46
Operating Equipment	509.07	39.67	—	548.74	251.85	37.67	0.05	—	289.57	259.18	257.23
Computers	164.25	17.71	—	181.96	71.50	23.86	0.61	—	95.97	85.99	92.75
<b>Total</b>	<b>65,323.06</b>	<b>383.56</b>	<b>1,102.62</b>	<b>64,604.00</b>	<b>8,850.97</b>	<b>656.84</b>	<b>0.91</b>	<b>3.52</b>	<b>9,505.20</b>	<b>55,098.79</b>	<b>56,472.09</b>
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	—

**II) CAPITAL WORK-IN-PROGRESS**

<b>CWIP</b>	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	—

**III) 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	64.24	6.94
<b>Total</b>	<b>576.92</b>	<b>63.47</b>	<b>—</b>	<b>640.39</b>	<b>82.03</b>	<b>6.17</b>	<b>—</b>	<b>—</b>	<b>88.20</b>	<b>552.19</b>	<b>494.89</b>
Previous Year	483.12	93.80	—	576.92	76.76	5.27	—	—	82.03	494.89	—

**GRAND TOTAL**

<b>Current Year</b>	<b>72,604.23</b>	<b>9,703.13</b>	<b>1,102.62</b>	<b>81,204.74</b>	<b>8,933.00</b>	<b>663.01</b>	<b>0.91</b>	<b>3.52</b>	<b>9,593.40</b>	<b>71,611.33</b>	<b>63,671.23</b>
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-**

Description	01.04.2016	Additions / adjustments during the year	31.03.2017
Interest during implementation	845.19	6,636.78	7,481.97
Legal & Professional Fees	183.52	(183.52)	—
Preoperative Expenses	908.72	1,054.05	1,962.77
Taxes & Duties ( Refer (i)	—	976.20	976.20
Building under construction	4,467.33	655.53	5,122.86
Capital projects at Goa	46.20	117.06	163.26
Capital projects at Chandigarh	253.29	—	253.29
<b>Closing Balance</b>	<b>6,704.25</b>	<b>9,256.10</b>	<b>15,960.35</b>

(i) 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"



## Notes on Consolidated Financial Statements

For the year ended March 31, 2018

(₹ in Lakhs)			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>3 INVESTMENTS (NON-CURRENT)</b>			
<b>Investments (At Cost Unless Stated Otherwise) -</b>			
<b>(a) Quoted</b>			
6,250 (P.Y.6,250) Equity Shares of Rs. 2/- each fully paid-up of ICICI Bank Ltd.	–	1.22	1.22
<b>(b) Unquoted</b>			
15,600 (P.Y.15,600) Equity Shares of Rs.10/- each fully paid up of Joy Hotel & Resorts Pvt. Ltd - Refer (iii)	<b>4,275.02</b>	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	<b>2.01</b>	2.01	2.01
46,800 Equity Shares of Rs.5/- each fully paid up of VMF Softtech Limited	<b>2.34</b>	–	–
<b>Total</b>	<b>4,279.37</b>	<b>4,278.25</b>	<b>4,278.23</b>
Aggregate amount of quoted investment	–	1.22	1.22
Aggregate amount of unquoted investment	<b>4,279.37</b>	4,277.03	4,277.01
(i) Silver Resort Hotel India Private Limited, subsidiary company is contesting the termination of the hotel plot of land by DIAL and a winding up petition before the Hon'ble High Court . Pending the disposal of appeals, no provision for diminution in value of investments has been made 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.			
(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.			
<b>4. OTHER NON CURRENT ASSETS</b>			
<b><u>Unsecured</u></b>			
(Considered good)			
Security Deposits	<b>295.84</b>	110.71	101.65
Site Development Advances	–	–	16.54
Capital Advances	<b>7.34</b>	7.34	446.46
	<b>303.18</b>	<b>118.05</b>	<b>564.65</b>

	(₹ in Lakhs)		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>5. INVENTORIES</b>			
(At cost or Net Realizable Value whichever is lower)			
Stores & Spares	–	126.02	1,190.79
Operating Inventories	<b>198.01</b>	176.60	146.80
	<b>198.01</b>	<b>302.62</b>	<b>1,337.59</b>
The inventory has been taken, valued and certified by the management.			
<b>6. INVESTMENTS</b>			
<b>Non Trade Investments</b>			
<b>Investments in Mutual Funds</b>			
<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]	<b>0.10</b>	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]	<b>0.10</b>	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]	<b>0.10</b>	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]	<b>0.10</b>	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]	<b>0.10</b>	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]	<b>0.10</b>	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]	<b>0.10</b>	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]	<b>0.50</b>	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]	<b>0.10</b>	0.10	0.10

	(₹ in Lakhs)		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
9,590.36 Units (PY - 28,736.384) of UTI Liquid - Cash Plan- Institutional - Growth	0.35	254.72	700.01
	1.65	256.02	701.31
Aggregate value of quoted investment	1.65	256.17	713.45
Aggregate market value of quoted investment	1.65	256.17	713.45
Investments are stated at cost of acquisition.			
<b>7. TRADE RECEIVABLES</b>			
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)
	–	9.58	24.12
Other Debts			
Unsecured -			
considered good	1,164.58	954.32	548.28
	1,164.58	963.90	572.40
<b>8. CASH AND CASH EQUIVALENTS</b>			
<u>Balances with banks</u>			
i) Current Accounts	928.82	95.17	122.38
ii) Bank Balances held as -			
- Fixed Deposit	2.33	912.54	7.78
Cash on hand	9.97	15.27	20.20
	941.12	1,022.98	150.36
<b>9. OTHER CURRENT ASSETS</b>			
(Unsecured considered good, unless otherwise stated)			
Balance with Revenue Authorities	952.88	965.96	1,148.79
Loans & advances to employees	26.17	34.94	20.53
Capital Advances for extension of hotel	–	3,531.45	2,250.00
Amount with Delhi High Court	–	0.24	550.00
Service Tax Input	–	–	550.45
Interest on Fixed Deposit accrued but not due	0.15	0.15	0.95
Advances with Suppliers & Others	501.88	301.03	717.57
	1,481.07	4,833.77	5,238.30

## 10. STATEMENT OF CHANGE IN EQUITY

### A. Equity Share Capital

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos. of Shares	Amount (₹/Lakhs)	Nos. of Shares	Amount (₹/Lakhs)	Nos. of Shares	Amount (₹/Lakhs)
<b>Authorised</b> Equity Shares of ₹10/- each	26,500,000	2,650.00	26,500,000	2,650.00	26,500,000	2,650.00
<b>Issued, Subscribed &amp; paid up</b> Equity Shares of ₹10/- each	8,150,000	8150.00	8,150,000	8150.00	8,150,000	8,150.00

Reconciliation of the numbers and amount of Equity shares -

For the year ended	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos. of Shares	Amount (₹/Lakhs)	Nos. of Shares	Amount (₹/Lakhs)	Nos. of Shares	Amount (₹/Lakhs)
Outstanding at beginning of the year	12,748,457	1,274.85	12,748,457	1274.85	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	12,748,457	1,274.85

### B. Shareholders holding more than 5% shares -

#### i) Equity Shares

Name of Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos. of Shares	Amount (₹/Lakhs)	Nos. of Shares	Amount (₹/Lakhs)	Nos. of Shares	Amount (₹/Lakhs)
Ferry Holdings Limited	1,162,162	9.12%	1,162,162	9.12%	1,162,162	9.12%
Jetty Capital Ltd. Jetty Capital Limited	1,150,000	9.02%	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%	1,146,196	8.99%
Northern Projects Limited*	970,000	7.61%	970,000	7.61%	970,000	7.61%
Seed Securities & services Pvt. Ltd.	645,311	5.06%	645,311	5.06%	645,311	5.06%
Solitary Investment & Financial Services Private Limited	645,243	5.06%	645,243	5.06%	645,243	5.06%

\*The ownership in equity shares held by Northern Projects Limited, Morgan Ventures Ltd, Morgan Securities & Credit Pvt Ltd , Praveen Electronics Pvt Ltd and Poysha Fincorp Pvt Ltd is in dispute and the matter is pending for adjudications in different foras.

**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 as per applicable law from time to time. During the year, the tenure for redemption of cumulative redeemable preference shares of Rs 41,50,00,000/- (Rupees Forty One Crores Fifty Lakh) has been extended upto fifteen years i.e. upto the year 2032 pursuant to the resolution passed by way of Postal Ballot dated 20.09.2017.
- 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.

**D. There is no call unpaid as on 31.03.2018****E. No shares have been forfeited by the company during the year.****11. Other Equity****For the Year ended March 31, 2018**

Reserves & Surplus							(₹ in Lakhs)
Particulars	Capital Reserve	General Reserve	Securities Premium	Retained Earnings	Equity instruments through other comprehensive income	Other items of other comprehensive income	Total
<b>Balance as at 1st April 2017</b>	–	1,549.71	8279.80	1506.13	–	–	11,335.64
Addition in Investment	–	2.34	–	–	–	–	2.34
Prior Period Adjustments	–	–	–	(109.57)	–	–	(109.57)
<b>Profit for the year</b>	–	–	–	(166.07)	–	–	(166.07)
Other comprehensive income for the year	–	–	–	34.98	–	–	34.98
<b>Total Comprehensive income for the year</b>	–	2.34	–	(240.66)	–	–	(238.32)
Balance as at 31 March 2018	–	1,552.05	8,279.80	1,265.48	–	–	11,097.33
<b>For the year ended March 31, 2017</b>							
Reserves & Surplus							
<b>Balance as at 1st April 2016</b>	–	1,549.71	8,279.80	876.00	–	–	10,705.51
Profit for the year	–	–	–	(1,018.36)	–	–	(1,018.36)
Prior Period Adjustments	–	–	–	1,648.49	–	–	–
Other comprehensive income for the year	–	–	–	–	–	–	–
<b>Total Comprehensive income for the year</b>	–	–	–	630.13	–	–	630.13
Balance as at 31 March 2017	–	1,549.71	8,279.80	1,506.13	–	–	11,335.64

(₹ in Lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>12. MINORITY INTEREST</b>			
Share Capital	8,500.00	8,500.00	8,500.00
Share in Profit/(Loss)	(21.21)	(21.21)	(21.21)
	<u>8,478.79</u>	<u>8,478.79</u>	<u>8,478.79</u>
<b>13. BORROWINGS</b>			
<b>Secured</b>			
Term Loans from Banks	–	–	2.32
Term Loan for Hypothecation purchase	70.80	87.56	–
Preference Shares	4,150.00	4,150.00	4,150.00
	<u>4,220.80</u>	<u>4,237.56</u>	<u>4,152.32</u>

**A. 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	2018-19	2019-20	2020-21	2021-22
Annual Repayment Amount	18.94	22.65	27.08	18.89
Annual Rate of Interest	18%			

**B. Preference Share Capital**

under the previous GAAP, preference shares were shown as part of equity and carried at cost. Redeemable preference shares contain a contractual obligation to deliver cash to the holders. Under Ind AS the same is classified as liability. Dividend on cumulative preference shares has accordingly been shown as part of finance cost.

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos. of Shares	Amount (₹/Lakhs)	Nos. of Shares	Amount (₹/Lakhs)	Nos. of Shares	Amount (₹/Lakhs)
<b>Authorised</b>						
Preference Shares of Rs. 100/- each	8,150,000	8,150.00	8,150,000	8,150.00	8,150,000	8,150.00
<b>Issued, Subscribed &amp; paid up</b>						
41,50,000, 10% Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up	4,150,000	4,150.00	4,150,000	4,150.00	4,150,000	4,150.00

**Reconciliation of the numbers and amount of Preference shares**

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos.	Amount (₹/Lakhs)	Nos.	Amount (₹/Lakhs)	Nos.	Amount (₹/Lakhs)
Outstanding at beginning of the year	4,150,000	4,150.00	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	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 as per applicable law from time to time. During the year, the tenure for redemption of cumulative redeemable preference shares of Rs 41,50,00,000/- ( Rupees Forty One Crores Fifty Lakh ) has been extended upto fifteen years i.e. upto the year 2032 pursuant to the resolution passed by way of Postal Ballot dated 20.09.2017.
- ii) 41,50,000 10% cumulative preference shares are redeemable at par. 10% of the cumulative redeemable preference shares shall be redeemed every year commencing from 21st year onwards i.e. w.e.f. 30.10.2023 to 30.10.2032.
- iii) Capital Redemption Reserve for redemption of Preference Shares is not created during the year because of unavailability of surplus.

**D. Shareholders holding more than 5% shares - Preference Shares**

Name of Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Brook Investment & Financial Services Private Limited	350,000	8.43	350,000	8.43	350,000	8.43
Concept Credit & Consultants Private Limited	350,000	8.43	350,000	8.43	350,000	8.43
Epitome Holdings Private Limited	400,000	9.64	400,000	9.64	400,000	9.64
Liquid Holdings Private Limited	400,470	9.65	400,470	9.65	400,470	9.65
Mid-Med Financial Services Pvt. Ltd.	399,600	9.63	399,600	9.63	399,600	9.63
React Investment & Financial Services Private Limited	400,000	9.64	400,000	9.64	400,000	9.64
Scope Credit & Financial Services Private Limited	400,000	9.64	400,000	9.64	400,000	9.64
Solace Investment & Financial Services Private Limited	350,000	8.43	350,000	8.43	350,000	8.43
Solitary Investment & Financial Services Private Limited	350,000	8.43	350,000	8.43	350,000	8.43
Square Investment & Financial Services Private Limited	400,000	9.64	400,000	9.64	400,000	9.64
Seed Securities & Services Pvt. Ltd.	349,930	8.43	349,930	8.43	349,930	8.43

	(₹ in Lakhs)		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>14. OTHER FINANCIAL LIABILITIES (NON-CURRENT)</b>			
Earnest Money Deposit from shops within hotel	50.00	50.00	50.00
Sundry Creditors for Capital Expenditures	48.66	48.66	48.64
	<u>98.66</u>	<u>98.66</u>	<u>98.64</u>
<b>15. PROVISIONS (NON-CURRENT)</b>			
Provision for employees' benefits:-			
-Gratuity (unfunded)	111.84	104.68	93.83
-Leave Encashment (Unfunded)	20.76	60.40	54.75
	<u>132.61</u>	<u>165.08</u>	<u>148.58</u>
<b>16. TRADE PAYABLES</b>			
Total outstanding dues of micro enterprises and small enterprises	—	—	—
Total outstanding dues other than of micro enterprises and small enterprises*	1,023.79	876.27	721.01
	<u>1,023.79</u>	<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.			
<b>17. OTHER FINANCIAL LIABILITIES - CURRENT</b>			
i .Working capital loans from banks including interest thereon	1,119.12	1,122.55	1,018.84
ii Current maturities of Non Convertible Debentures - Disputed	10,000.00	10,000.00	10,000.00
iii Current maturities of term loans from financial institutions- Disputed	11,368.91	11,368.91	11,368.91
iv Payable to Delhi International Airport Pvt. Ltd. (DIAL) for hotel project land - Disputed	10,052.02	6,567.36	7,650.19
v Provision for Interest - Disputed	110.90	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	18.94	15.85	—
viii Payable for Capital Expenditure	—	—	429.94
ix Construction linked receipts for commercial space in the hotel	—	—	9,355.33
x dividend on preference shares	6,408.46	5,993.47	5,578.47
xi <u>Employee benefits payable -</u>			
- Salaries & benefits	122.25	132.53	174.92
- Provident fund / ESI	19.52	19.01	16.34
- Bonus & incentives	66.90	80.24	61.30
	<u>39,287.03</u>	<u>38,897.82</u>	<u>49,141.22</u>

- A. 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, no interest is provided during the year



(₹ in Lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>B. Current Maturities of Non Convertible Debentures</b>			
a. Non Convertible Debentures together with interest, redemption premium etc. are secured by second 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.			
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-fulfillment 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>c. Current Maturities of Term Loans from financial institutions</b>			
The Company has filed a Review Petition before the Hon'ble Supreme Court of India against the judgement dated March 19, 2018 setting aside the order of Hon'ble High Court of Bombay dated March 23, 2015 and thereby upholding the sale of the hotel property at Goa. The Review Petition is pending for disposal before the Hon'ble Supreme Court of India. The outcome may have material impact on the Company as a going concern. The Hotel Property continues to be operated under the brand ' Park Hyatt Goa Resort & Spa" and maintained under the management agreement with Hyatt International.			
<b>d. Detail of Continuing Default in payment of long term borrowings is as under :-</b>			
<b>Particulars</b>	<b>Principal (Rs. in Lakh)</b>	<b>Period of default</b>	
Term Loan from financial institutions	11,368.91	up to 6 Years	
Debentures	10,000.00	up to 5 Year	
	21,368.91		
<b>18. OTHER CURRENT LIABILITIES</b>			
i. Advance received from customers	534.24	445.13	434.54
ii. Direct Tax	61.88	131.40	137.10
iii. Indirect Tax	371.03	156.31	185.52
iv. Provisions For Expenses Payable	529.26	616.19	489.03
v. Other Payables	11,928.27	16,287.59	–
vi. Other Fees	–	360.34	360.34
	13,424.68	17,996.96	1,606.53
<b>19. PROVISIONS (CURRENT)</b>			
Provision for Income Tax (MAT)	–	–	102.73
Provision for taxation of earlier years	–	–	61.17
Provision for Employees' benefits :			
- Gratuity (unfunded)	10.17	13.97	12.19
- Leave Encashment (Unfunded)	5.16	11.31	10.53
	15.33	25.28	186.62

	(₹ in Lakhs)		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>20. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)</b>			
<b>a) Contingent Liabilities</b>			
<b>Guarantees</b>			
- For securing loans of upcoming hotel project at Chandigarh related to associate company	6,500.00	6,500.00	6,500.00
- For operation of the company	17.12	17.12	17.12
<b>b) Commitments</b>			
- Estimated amount of contracts remaining to be executed on capital account	–	0.09	9,821.34
<b>c) Other money for which company is contingently liable</b>			
- Disputed Claim for buy-back of equity share capital with return on investment in subsidiary company Silver Resort Hotel India Private Limited	8,500.00	8,500.00	8,500.00
- Disputed Claim for non performance of obligations by Subsidiary Company Golden Joy Hotel (P) Limited	–	1,031.18	1,031.18
- Assured Return to Unit holders	–	–	4,964.91
- On account of booking of commercial space in the Hotel by Co-developer	–	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	–	2,112.22	2,112.22
- Delhi International Airport Private Limited for Interest	–	–	1,511.57
	<u>15,017.12</u>	<u>42,011.95</u>	<u>59,791.09</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 hotel plot by the Estate Office which i had resumed it			
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 a first charge basis on the Hotel Property at Goa.			
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-fulfillment of the obligations undertaken by PUDA under the Agreements			

	(₹ in Lakhs)		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>21. REVENUE FROM OPERATIONS</b>			
Room Income	8,876.11	8,739.40	7,592.71
Food & Beverages	2,839.35	2,739.79	2,270.61
Alcoholic Beverages	1,275.65	1,230.92	1,020.13
Communications	0.74	1.81	2.49
Others	497.40	553.98	657.84
	<u>13,489.24</u>	<u>13,265.90</u>	<u>11,543.78</u>
<b>22. OTHER INCOME</b>			
Interest Income	14.79	10.85	0.77
Dividend received on investments	0.22	1.00	0.66
Miscellaneous Income	128.04	101.41	59.97
	<u>143.06</u>	<u>113.26</u>	<u>61.40</u>
<b>23. COST OF MATERIALS, STORES &amp; SUPPLIES CONSUMED</b>			
<b>Stores &amp; Spares</b>			
Opening Stock	126.02	1,190.79	1,498.37
Add : Purchases	357.45	337.56	406.46
	<u>483.47</u>	<u>1,528.35</u>	<u>1,904.83</u>
Less: Closing Stock	–	126.02	1,190.79
Total (a)	<u>483.47</u>	<u>1,402.33</u>	<u>714.04</u>
<b>Operating Inventories</b>			
Opening Stock	176.60	146.80	155.03
Add : Purchases	1,438.38	1,337.82	963.24
	<u>1,614.98</u>	<u>1,484.62</u>	<u>1,118.27</u>
Less: Closing Stock	198.01	176.60	146.80
Total (b)	<u>1,416.97</u>	<u>1,308.02</u>	<u>971.47</u>
Total (a+b)	<u>1,900.44</u>	<u>2,710.35</u>	<u>1,685.51</u>
<b>24. EMPLOYEE BENEFITS EXPENSE</b>			
Salaries and Wages	2,008.57	1,974.11	1,797.60
Gratuity & Leave Encashment	(7.43)	51.36	63.04
Contribution to Provident Fund and ESI	119.52	113.26	114.45
Staff Welfare	409.06	460.96	402.65
	<u>2,529.71</u>	<u>2,599.69</u>	<u>2,377.74</u>
<b>25. FINANCE COST</b>			
Interest	2,424.42	2,858.55	1,792.04
Bank charges	2.84	10.94	47.03
	<u>2,427.27</u>	<u>2,869.49</u>	<u>1,839.07</u>

(₹ in Lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Finance cost includes provision for dividend on cumulative redeemable preference shares for the year. Further in view of the pending litigations, no provision for interest or any other charges has been made on secured borrowings from financial intuition, bank and debentures.			
<b>26. OTHER EXPENSES</b>			
Telephone	50.92	26.79	26.01
Power & Fuel	835.07	790.60	728.18
Rent	57.30	56.08	51.74
Repair to buildings	379.95	79.82	73.06
Repairs to machinery	1,114.26	544.49	571.75
Insurance	21.82	27.81	44.1
Rates and Taxes	5.41	8.02	5.45
Auditors Remuneration	23.42	29.33	29.20
Legal and Professional Charges	677.73	1,018.24	636.12
Travelling Expenses	334.73	216.75	150.63
Selling and Advertisement Expenses	1,050.20	989.45	915.33
Management fees	938.68	901.72	775.57
Printing & Stationery	35.77	59.28	50.07
Miscellaneous Expenses	741.26	867.75	537.90
	<u>6,266.54</u>	<u>5,616.11</u>	<u>4,595.11</u>

**27. PAYMENT TO STATUTORY AUDITORS**

Particulars	31.03.2018	31.03.2017
Audit Fee	20.00	20.00
Tax Audit Fee	3.00	3.00
Tax Matters	–	2.50
Certification	–	1.24
GST/ Service Tax	4.14	4.01
<b>Total</b>	<b>27.14</b>	<b>30.75</b>

**28. PRIOR PERIOD ITEMS**

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

**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. INCOME TAX**

As required by Indian Accounting Standard "Income-taxes" i.e. (Ind-AS) issued by Institute of Chartered Accountants of India, deferred tax asset on accumulated losses, is not recognized as a matter of prudence.

**31. EARNING PER SHARE:**

	31.03.2018	31.03.2017
Profit/(Loss) available for equity share holders	(166.07)	(1,018.32)
Add: Dividend on cumulative preference shares (Convertible)	–	–
Adjusted Profit/(Loss) available for equity share holders	(166.07)	(1,018.32)
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)	(1.31)	(7.99)
Diluted earnings per share in rupees (face value - Rs.10 per share)	(1.31)	(7.99)

32. In the opinion of management, there is no impairment condition exists as on 31st March, 2018. Hence no provision is required in the accounts for the current period ending.

**33. RELATED PARTY DISCLOSURES**

Disclosure as required by the Ind AS-24 "Related Party Disclosures" 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 ( upto 17.03.2018)
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
i. Subsidiary Companies		Advances during the year Closing balance Maximum balance outstanding during the year
ii. Associate Company		Nil
iii. Key Management Personnel		Remuneration / Perquisites Closing balance ( Payable) / Recoverable Maximum balance outstanding during the year
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 31.03.2018 (Payable / Recoverable) Maximum balance outstanding during the year - Receivable

### 34. Foreign Exchange Earnings

Particulars	31.03.2018	31.03.2017
Receipts from operations	4,264.28	3,870.30
<b>Expenditure in Foreign Currency</b>		
Particulars	31.03.2018	31.03.2017
Capital Goods	–	40.05
Others	773.17	1,685.53

### 35. OTHERS SIGNIFICANT DISCLOSURES

- 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.
- 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.
- 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

### 36. FIRST TIME ADOPTION OF Ind AS

This financial statement is the first financial statement that has been prepared in accordance with Ind AS together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant Accounting Policies. The transition to Ind AS has been carried out in accordance with Ind AS 101–‘First time adoption of Indian Accounting Standards’ with 1st April 2016 as the transition date.

This note explains the exemptions availed by the company on first time adoption of Ind AS and the principal adjustments made by the Company in restating its Indian GAAP financial statements as at 1st April 2016 and financial statements as at and for the year ended 31st March 2017 in accordance with Ind AS 101.

#### Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has, accordingly, applied following exemptions:

- The Company has elected to consider carrying amount of all items of property, plant and equipment's measured as per Indian GAAP as recognized in the financial statements as at the date of transition, as deemed cost at the date of transition. The effect of consequential changes arising on the application of other Ind AS has been adjusted to the deemed cost of Property, Plant & Equipment.
- The Company has adopted to measure investments in subsidiaries at cost in accordance with Ind AS 27 and therefore has measured such investments in its separate opening Ind AS balance sheet at carrying amount as per Indian GAAP at the date of transition in accordance with Ind AS 101.
- The Company has availed the exemption of fair value measurement of financial assets or liabilities at initial recognition and accordingly will apply fair value measurement of financial assets or liabilities at initial recognition prospectively to transactions entered into on or after 01st April 2016.
- The estimates at 1st April 2016 and at 31st March, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items under Indian GAAP did not require estimation :-

- Fair values of Financial Assets & Financial Liabilities
- Impairment of financial assets based on expected credit loss modal
- Discount rates

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1st April, 2016 and 31st March, 2017.

**Disclosure as required by Ind AS 101- First time adoption of Indian Accounting Standards**

Reconciliation of Equity -

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2017			As at 1 <sup>st</sup> April 2016		
	As per Indian GAAP	IND AS Adjustments	As per IND AS	As per Indian GAAP	IND AS Adjustments	As per IND AS
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property Plant and Equipment	55,098.79	—	55,098.79	56,472.09	—	56,472.09
Capital Work In Progress	15,960.35	—	15,960.35	6,704.25	—	6,704.25
Intangible Assets	552.19	—	552.19	494.89	—	494.89
Financial Assets :	—	—	—	—	—	—
Investments	4,278.25	—	4,278.25	4,278.23	—	4,278.23
Other Financial Assets	—	—	—	—	—	—
Other Non-Current Assets	118.05	—	118.05	564.65	—	564.65
Total Non-current assets	76,007.63	—	76,007.63	68,514.11	—	68,514.11
<b>Current assets</b>						
Inventories	302.62	—	302.62	1,337.59	—	1,337.59
Financial Assets :						
Investments	256.02	—	256.02	701.31	—	701.31
Trade receivables	963.90	—	963.90	572.40	—	572.40
Cash and Cash Equivalents	1,022.98	—	1,022.98	150.36	—	150.36
Loans	—	—	—	—	—	—
Other current Assets	4,833.77	—	4,833.77	5,238.30	—	5,238.30
Total Current Assets	7,379.29	—	7,379.29	7,999.96	—	7,999.96
Total Assets	83,386.92	—	83,386.92	76,514.07	—	76,514.07
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Equity Share Capital	1,274.85	—	1,274.85	1,274.85	—	1,274.85
(b) Other equity	5,175.66	(4,344.98)	830.68	5,779.00	4,926.51	10,705.51
Total Equity	6,450.51	(4,344.98)	2,105.53	7,053.85	4,926.51	11,980.36
1. Minority Interest	8,478.79	—	8,478.79	8,478.79	—	8,478.79
2. Liabilities						
<b>Non-current Liabilities</b>						
<b>Financial Liabilities</b>						
Borrowings	4,237.56	—	4,237.56	4,152.32	—	4,152.32
Other Financial liabilities	98.66	—	98.66	98.64	—	98.64

Long term provisions	165.08	–	165.08	148.58	–	148.58
Total Non-current Liabilities	4,501.30	–	4,501.30	4,399.54	–	4,399.54
3. Current Liabilities						
Financial Liabilities						
Borrowings	–	–	–	–	–	–
Trade Payables	876.27	–	876.27	721.01	–	721.01
Other Financial Liabilities	45,057.82	4,344.98	49,402.80	54,067.73	(4,926.51)	49,141.22
Other Current Liabilities	17,996.96	–	17,996.96	1,606.53	–	1,606.53
Provisions	25.28	–	25.28	186.62	–	186.62
Total Current Liabilities	63,956.32	4,344.98	68,301.30	56,581.89	(4,926.51)	51,655.38
Total Equity and Liabilities	83,386.92	–	83,386.92	76,514.07	–	76,514.07

Reconciliation of Total Comprehensive Income for the year ended March 31, 2017				(₹ in Lakhs)
Particulars	As per Indian GAAP	IND AS Adjustments	As per IND AS	
Revenue from Operations (Net)	13,265.90	–	13,265.90	
Other Income	113.26	–	113.26	
<b>Total revenue</b>	<b>13,379.16</b>	<b>–</b>	<b>13,379.16</b>	
<b>Expenses :</b>				
Cost of materials Consumed	2,710.35	–	2,710.35	
Employee benefits expense	2,599.69	–	2,599.69	
Finance costs	2,454.49	415.00	2,869.49	
Depreciation and amortization	663.01	–	663.01	
Other expenses	5,616.13	–	5,616.11	
<b>Total Expenses</b>	<b>14,043.67</b>	<b>415.00</b>	<b>14,458.65</b>	
<b>Profit before Tax</b>	<b>(664.51)</b>	<b>(415.00)</b>	<b>(1,079.49)</b>	
Tax expense Prior Period	61.17	–	61.17	
Tax (MAT)	–	–	–	
MAT Credit Entitlement	–	–	–	
<b>Profit for the Year</b>	<b>(603.34)</b>	<b>(415.00)</b>	<b>(1,018.32)</b>	
<b>Other Comprehensive Income</b>				
<b>Items that will not be reclassified to profit or loss-</b>	<b>–</b>	<b>–</b>	<b>–</b>	
Remeasurements of the defined benefit plans	–	–	–	
<b>Total Comprehensive Income for the period</b>	<b>(603.34)</b>	<b>(415.00)</b>	<b>(1,018.32)</b>	

Notes to the reconciliation of equity as at 1st April 2016 and 31st March 2017 and Total comprehensive income for the year ended 31st March 2017

### 1. Defined benefit obligation

Under Ind AS, remeasurements i.e. actuarial gains and losses are to be recognized in 'Other Comprehensive Income' and are not to be reclassified to profit and loss in a subsequent period. Under the Indian GAAP, these remeasurements were forming part of the profit or loss. Therefore, actuarial gain/loss amounting to Rs. 61.67 Lakhs for the financial year 2016-17 has been recognized in OCI, which was earlier recognised as Employee benefits expense. However, the same has no impact on the total equity as at 31st March, 2017

### 2. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on statement of cash flows.



# Blue Coast

Hotels Ltd.

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

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

**Tel. No.:** +91 8322721234, **Fax:** +91 8322721238

## 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:

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday 9<sup>th</sup> August, 2018 at 10.00 A.M. 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 31 <sup>st</sup> March, 2018		
2.	To appoint a Director in place of Mr. Sushil Suri, Chairman & Managing Director, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment		
3.	Appointment of Mrs. Shalu Suri as a Non-Executive Director of the Company.		

Signed this ..... day of ..... 2018.

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 8322721238

## 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 25<sup>th</sup> Annual General Meeting of the Company to be held at 263C, Arossim Cansaulim, Goa-403712, India on Thursday 9<sup>th</sup> August, 2018 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.



# Blue Coast

Hotels Ltd.

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

**CIN:** L31200GA1992PLC003109;

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

**Tel. No.:** +91 8322721234, **Fax:** +91 8322721238

## 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. /DP ID & Client ID: .....

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

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

Registered Address: .....

.....

E-mail ID (to be registered): .....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- 23358774-775 Fax : +91-11- 23358776  
Regd. Office : 263C, Arossim, Cansaulim, Goa – 403712 INDIA  
Tel.: + 91-832-2721234 Fax : +91-832-2721235