

Annual Report 2009-10

PARK HYATT GOA®

RESORT AND SPA

The Spirit of India™

Blue Coast
Hotels Ltd.











Late Shri Arun Suri
(16.07.1960-12.11.2005)

Shri Arun Suri had an overriding passion for perfection. For him, God was in the details - little yet significant nuances that could transform a brief experience into a joy forever. His dynamism and ability to lead from the front took his team to extraordinary heights - transforming Park Hyatt Goa, Resort & Spa into one of the finest resorts in the world.

Nesting on the golden sands of Goa, the exquisite property is a proud legacy of a leader who has guided its journey of growth from inception.

Annual Report
2009 – 2010

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Board of Directors	Mr. P.L. Suri, Chairman & Managing Director Mrs. Sunita Suri, Executive Director Mrs. Mamta Suri Mr. B.K. Goswami Mr. K.S. Mehta Mr. Shivendra Tomar Dr. V.M. Kaul Mr. Ashoka Kini
Executives	Mr. Suresh Gupta Asstt. Vice President Finance & Accounts Mr. Darpan Batra AGM - Corporate Affairs & Company Secretary
Auditors	M/s. M. Kamal Mahajan And Co. Chartered Accountants SCO 61 Madhya Marg, Sector 26, Chandigarh
Registered Office	263C, Arossim, Cansaulim, Goa - 403712 Tel. : +91 832 272 1234 Fax : +91 832 272 1238
Corporate Office	415-417, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi - 110 001 Tel. : +91 11 2335 8774-775 Fax. : +91 11 2335 8776
Share Transfer Agent	RCMC Share Registry Pvt. Ltd. B-106, Sector-2, N O I D A-201301, U.P. Tel. : +91 120 401 5880 Fax : +91 120 244 4346

Notice

NOTICE is hereby given that the **17th Annual General Meeting** of the members of Blue Coast Hotels Limited will be held at 263C, Arossim, Cansaulim, Goa-403712 on Wednesday, the 29th September, 2010 at 10:00 A.M to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account of the Company for the period ended on that date along with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. K.S. Mehta, who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Mamta Suri, who retires by rotation at this Annual General Meeting and, being eligible, offers herself for re-appointment.
4. To appoint M/s M. Kamal Mahajan & Co., Chartered Accountants, Chandigarh, the retiring Auditors, as the Auditors of the Company and to fix their remuneration.

Special Business

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

"RESOLVED THAT, in supersession of the resolution passed by the Shareholders in their Annual General Meeting held on September 30, 1998, the consent of the Company be and is hereby accorded, pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956 to the Board of Directors of the Company to borrow any sum or sums of money from time to time at its discretion for the purposes of the Company on such terms and conditions and with or without security as the Board of Directors may in its discretion deem fit, notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Banker(s) in the ordinary course of Business) may exceed the aggregate of the paid up share capital of the Company and its free reserves (i.e. reserves not set apart for any specific purpose) provided however that the total borrowings outstanding at any one time including the monies already borrowed shall not exceed a sum of Rs. 400 Crores (Rs. Four Hundred Crores only)."

**For and on behalf of the Board of Directors of
Blue Coast Hotels Ltd.**

New Delhi
August 28, 2010

Darpan Batra
AGM - Corporate Affairs &
Company Secretary

Notes

- A) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- B) Instrument appointing proxies in order to be effective should be duly stamped, signed and complete in all respect must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
- C) **A blank proxy form for use of the members is enclosed to this notice.**
- D) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 23, 2010 to Wednesday, September 29, 2010 (both days inclusive).
- E) Members/Proxies should bring the Attendance Slip sent herewith duly filled in and signed for attending the meeting.
- F) **Members of the Company are requested to complete all the formalities for conversion of their shares from physical form into Demat form as the Equity shares of the Company are traded in Demat form.**
- G) Relevant details in respect of the Directors seeking Appointment/Reappointment are given at the end of the NOTICE.

EXPLANATORY STATEMENT (PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956)

Item No. 5.

Pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company cannot borrow more than the aggregate of its Paid up Capital and Free Reserves at any one time (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) except with the consent of the members of the Company obtained in a General Meeting.

The Resolution at Item no. 5 of the Notice is an enabling resolution authorizing the Board of Directors to borrow monies from various sources in view of its proposed projects. The Board of Directors of the Company propose the resolution for consideration and approval of the members of the company.

The consent of the Members of the Company is sought by way of Ordinary Resolution as set out at Item No. 5 of this Notice. None of the Directors is concerned or interested in this resolution.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT IN THE 17th ANNUAL GENERAL MEETING BEING HELD ON SEPTEMBER 29, 2010.

Name of Director	Mr. K.S. Mehta	Mrs. Mamta Suri	Mr Shivendra Tomar #
Date of Birth	January 16, 1946	December 14, 1964	June 30, 1967
Date of Appointment	June 29, 2001	October 31, 2000	July 26, 2010
Date of last Re-Appointment as Director	September 28, 2007	September 28, 2007	Not Applicable
Expertise in specific functional areas	<p>Mr. K.S. Mehta is a Chartered Accountant with over 30 years of professional experience and has specialization in Corporate Financial Restructuring and Advisory services on Joint Ventures & Collaborations.</p> <p>He has held various important positions in the past including the positions of President, PHD Chamber of Commerce and Industry and Former Member Advisory Committee on Primary markets of Securities & Exchange Board of India (SEBI).</p>	<p>Mrs. Mamta Suri has strong entrepreneurial expertise and is well versed with the operation of business enterprises.</p>	<p>Mr. Shivendra Tomar has done his post graduation in Commerce M.Com and MBA from Aligarh Muslim University (AMU).</p> <p>He has 19 years of rich experience in financial services covering areas in Investment Banking, Commercial vehicle finance, Liability Management, Resource raising, Credit & Recoveries.</p> <p>In the year 2001, he joined IFCI Ltd., where he worked in various departments such as Resources, Liabilities, Restructuring, Corporate advisory, Credit and Recovery before joining IFCI Infrastructure Development Ltd as Chief Operating Officer in Feb 2008.</p>

No. of equity shares of Rs. 10/- each held in the Company	NIL	89000	Nil
Other Directorship	1. Radico Khaitan Ltd.	1. Concept Credit & Consultants Pvt. Ltd.	Nil
	2. Continental Engines Ltd.	2. Liquid Holdings Pvt. Ltd.	
	3. Medpat Finance Ltd.	3. Blue Heaven Marketing Pvt. Ltd.	
	4. Kothari Industrial Mgmt Co. Ltd.	4. Golden Joy Hotel Pvt. Ltd.	
	5. Transport Corp. of India Ltd.		
	6. Ayurvet Ltd.		
	7. Suvidha Parklift Ltd.		
	8. Consafe McNulty JV Ltd. U.K.		
	9. Consafe Engineering Services Ltd. U. K.		
	10.McNulty Offshore Construction Ltd. U. K.		
	11.McNulty Group Holdings Ltd. U.K.		
	12.Federation of Indian Chambers of Commerce & Industry.		
	13.Innotem Services P. Ltd.		

Mr. Shivendra Tomar has been appointed as a Nominee Director by IFCI Limited on the Board of Directors of the Company with effect from July 26, 2010.

Directors' Report

THE MEMBERS,

Your Directors have pleasure in presenting the 17th Annual Report of the Company for the period ended 31st March 2010.

1. PARK HYATT GOA RESORT & SPA

Park Hyatt Goa Resort & Spa continues to be the market leader and has achieved highest revenue and Revenue Market Share Index (RMSI) with an appropriate mix of Occupancy and room rates. For the year under Report the performance indicator of the Park Hyatt Goa Resort & Spa is given herein below :

	For the year ended March 31, 2010	For the year ended March 31, 2009	Variation (%age)
Average Occupancy	73%	61%	12
Average Room Revenue (ARR)	Rs. 8529	Rs. 9296	8.25 (-)
Rev PAR	Rs. 6206	Rs. 5660	9.65

The above performance indicators demonstrate that your Company is coming out of the aftereffects of the global recession, financial meltdown and Mumbai terror attack.

2. OPERATIONAL RESULTS & APPROPRIATIONS

The Board is pleased to inform that the Company's Total Income for the year under report has increased from Rs. 7705.77 Lacs to Rs. 8915.08 lakhs. Both Profit before Tax and Profit after Tax have increased twofold from the previous year. The summarized financial position of the Company for the year under review is given herein below :

Rs. In Lacs			
	For the year ended March 31, 2010	For the year ended March 31, 2009	Variation (% age)
Total Income	8854.67	7705.77	14.91
Expenditure (before Interest & Depreciation)	5939.46	5693.22	4.33
Profit before Interest, Depreciation & Tax	2915.22	2012.55	44.85
Profit Before Tax	668.89	318.34	110.12
Profit After Tax	687.39	203.84	237.22

As at the end of the year under report balance available for appropriation stood at Rs. 1373.85 lakhs (previous period Rs. 686.46 lakhs) which was carried forward to the Balance Sheet.

During the year the Company has repaid its existing secured term loans of Rs. 7249 lacs in full by obtaining fresh corporate loan of Rs. 1500 Lacs from IFCI Limited and has utilized the balance amount for making an investment in new five star Hotel Project.

3. EXPANSION/NEW PROJECTS

In view of the growing opportunities in the Indian Hospitality Sector your Company has commenced implementing its expansion plans and acquired lands at Delhi and Amritsar for developing the Hotel Projects. The said Projects have been undertaken in the Subsidiaries of the Company. The Company through its subsidiary has executed the Letter of



Intent with MGM MIRAGE Hospitality International Holdings Limited, Las Vegas, USA for their Luxury Brands 'MGM Grand, New Delhi' and 'Skylofts at the MGM Grand New Delhi' for the Luxury / Upscale Hotel Project at Delhi for approximately 500 rooms Deluxe Hotel.

The 180 rooms Deluxe Hotel Project at Amritsar is being developed as Sheraton Amritsar Hotel.

4. DIVIDEND

The Board of Directors has not recommended any dividend on Share Capital for the financial year ended March 31, 2010.

5. PUBLIC DEPOSITS

During the period under report your Company has not accepted or renewed any public deposit.

6. SUBSIDIARY COMPANIES

During the year under review two new subsidiary companies viz. Golden Joy Hotel Pvt. Ltd. and Silver Resort Hotel India Pvt. Ltd. have been incorporated to implement the expansion plans of developing five star Deluxe Hotels at Amritsar and New Delhi.

A statement under Section 212 of the Companies Act, 1956 is annexed to this report with respect to its subsidiaries viz. Blue Coast Hospitality Limited, Golden Joy Hotel Pvt. Ltd. and Silver Resort Hotel India Pvt. Ltd. the subsidiaries of the Company. Their Balance Sheets, Profit & Loss A/c and other documents, as applicable pursuant to the provisions of the Companies Act, 1956, are attached with the Balance Sheet of the Company. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

7. VOTING RIGHTS

In terms of the provisions contained in Section 87(2)(b)(i) of the Companies Act, 1956, the Preference Shareholders of the Company with respect to the 81,50,000 Redeemable Cumulative Preference shares of Rs.100 each are entitled to vote on every resolution placed before the Company at any General Meeting. As the said preference shares are held by the existing Promoters/ Promoters Group there is no change in the management/ control of the Company.

8. BOARD OF DIRECTORS

The Board recommends the re-appointment of Mrs. Mamta Suri and Mr. K.S. Mehta who retire by rotation as Directors of the Company and, being eligible, offer themselves for re-appointment.

Mr. Shivendra Tomar has been appointed as Nominee Director on the Board of the Company with effect from July 26, 2010 by IFCL Limited. The information relating to Mr. Tomar required to be given as per the listing agreement has been given at the end of the explanatory statement

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors hereby confirm :

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2010 the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) that they have prepared the annual accounts on a going concern basis.



10.AUDITORS

M/s. M. Kamal Mahajan And Co., Chartered Accountants, the Auditors of the Company will retire on the conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

Observations made by the Auditors in their report read with the relative notes on accounts are self explanatory.

11.CORPORATE GOVERNANCE

Your Company has complied with the provisions of the Code on Corporate Governance and as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the report on Corporate Governance and the Auditors' Certificate in connection therewith form part of this report. The Management Discussion and Analysis Report is also appended to this report.

12.AWARDS & ACCOLADES

Park Hyatt Goa Resort & Spa continues to be a leader in its segment. Towards the recognition of the facilities it commands it has been awarded following Awards and Accolades:

- u India Today travel plus readers choice survey 2009-10 - "The Best Spa in India"
- u India Today travel plus readers choice survey 2010-11 - "The Best Spa in India"
- u Best Resort Spa (Serenio Spa) - Pevonia asiaSpa India Awards 2009
- u Best Goan Restaurant in South Goa (Casa Sarita restaurant) - Times Good Food Guide 2010
- u Conde Nast Traveller Readers Travel Awards 2010 India Special - Awarded as the second runner-up in the "Favourite Leisure Hotel in India"

13.PARTICULARS OF EMPLOYEES

Required particulars pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, are set out in the annexure to this report. However, the same is not being sent to the shareholders. Any shareholder desirous of obtaining a copy of the said particulars may write to the Company at its Corporate Office.

14.CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

Information in pursuance of Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 pertaining to the conservation of energy, technology absorption, foreign exchange earnings & outgo are annexed to this report.

15.PAYMENT OF ANNUAL LISTING FEE PAID.

Annual listing fee up to date has been paid to the stock exchanges.

16.ACKNOWLEDGMENTS

The Directors express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers and 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.

**For and on behalf of the Board of Directors of
Blue Coast Hotels Ltd.**

**New Delhi
28th August, 2010**

**P. L. SURI
Chairman & Managing Director**

Particulars As Per The Companies (Disclosure Of Particulars In The Report Of Board Of Directors) Rules, 1988

Conservation of Energy

During the year under review various measures have been initiated for conservation of energy which include installation of Wind and Solar Hybrid system for power generation to support landscape bollard lights, installation of Variable frequency drives (VFDs) for Chiller Condenser pump and lagoon filtration pumps, installation of Automatic Voltage Regulator (AVR) eliminating the use of generator on low/high incoming voltage and energy efficient Heat Pumps for hot water generation.

An Energy Audit is also conducted for controlling the usage of energy in the most efficient manner.

Water, Electricity & Fuel Conservation

Following measures adopted to conserve Water, Electricity and Fuel:

Water:

Diversion of cooling tower overflow and filter back wash line to STP for irrigation use. Rectification of underground hot water leakage.

Electricity:

Installation of AVR for regulating the constant voltage and eliminating the use of generator on low/high incoming voltage supply, thermographic study of Electrical Distribution system are some of the measures adopted to save as well as use the electricity in an efficient manner.

Diesel:

Controlled usage of steam boilers for laundry operation and Usage of heat pumps instead of boiler for hot water production and replacement of banquet kitchen steam kettle to gas fired unit.

Responsible community partner/Environmental Initiatives:

Installation of organic waste converter, horticulture waster converter for converting food waste to organic manure has been initiated.

FORM "A"

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.

A. ELECTRICITY AND FUEL CONSUMPTION:

	Rs. In lacs	
	Year Ended 31 st March, 2010	Year Ended 31 st March, 2009
1. Electricity		
a. Purchase Units in Lacs (KWH)	73.63	67.29
Total amount (Rs. in Lacs)	279.48	250.20
Rate/Unit (Rs.)	3.79	3.72
b. Own Generation		
I) Through Diesel Generator Unit in Lacs (KWH)	2.47	7.70
Unit per Litre of Diesel Oil	3.58	3.62
Cost / Unit (Rs.)	9.57	9.57
II) Through Steam Turbine/ Generator	N.A	N.A
2. Coal (Specify quality where used)	N.A	N.A
3. Diesel Oil Quantify (K. Litres)	689.25	557.11
Total Amount (Rs. in Lacs)	236.61	193.70
Average Rate (Rs. Per Litre)	34.33	34.77
4. Other/Internal Generation	N.A	N.A

B. CONSUMPTION PER UNIT OF PRODUCTION:

Unit Standards

Electricity (KWH)	N.A.	N.A.
Furnace Oil (Ltr/Kg)	N.A.	N.A.
Coal	N.A.	N.A.
Others	N.A.	N.A.

*Variation in per units consumption due to change in product mix.

Technology Absorption

In the opinion of the Board, the disclosures required to be made about the technology absorption is not applicable to the hotel which pertains mainly to the service industry where no significant manufacturing operations is involved.

Foreign Exchange Earnings and Outgo

For Foreign Exchange Earnings and Outgo for the year under report please refer to the notes on accounts of the Company as contained in **Schedule No. XV** attached to and forming part of the Balance Sheet.



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of the Subsidiary	Blue Coast Hospitality Limited	Golden Joy Hotel Private Limited	Silver Resort Hotel India Private Limited
Financial Year of the subsidiary ended on	April 1, 2009 to March 31, 2010.	April 1, 2009 to March 31, 2010.	The First Financial year to close on March 31, 2011.
Number of shares in the subsidiary held by the Company	The entire equity share capital of the subsidiary i.e., 50000 equity shares of Rs. 10/- each fully paid up aggregating to Rs. 5,00,000/- is held by the Company.	The entire equity share capital of the subsidiary i.e., 50000 equity shares of Rs. 10/- each fully paid up aggregating to Rs. 5,00,000/- is held by the Company.	8,85,09,980 Equity Shares of Rs. 10/- each fully paid up aggregating to Rs. 88,50,99,800/- constituting 51.01% of the total paid up Share Capital of the Subsidiary are held by the Company.
Net aggregate profits/ losses of the subsidiary for the current year so far as it concerns the members of the holding company:			
a) dealt with or provided for in the accounts of the holding company	Nil	Nil	Nil
b) not dealt with or provided for in the accounts of the holding company	Nil	Nil	Nil
Net aggregate profits/ losses of the subsidiary for the previous financial years so far as it concerns the members of the holding company:			

a) dealt with or provided for in the accounts of the holding company	Nil	Nil	Nil
b) not dealt with or provided for in the accounts of the holding company	Nil	Nil	Nil
Change in the interest of the Company between the end of the last financial year and 31 st March 2010	None	Not Applicable	Not Applicable
Material Changes between the end of the last financial year and 31 st March 2010	None	Not Applicable	Not Applicable



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE:

The Company is committed to focus on expanding its business while upholding the values of transparency, integrity and accountability. The Company believes that the adoption of high standards of Corporate Governance practices shall lead to provide the necessary information and disclosures to various stakeholders of the Company.

BOARD OF DIRECTORS:

The Board of Directors of the Company consists of a combination of Directors having varied experience and knowledge. The functioning of the Board is aimed at steering the Company towards the path of growth by taking the decisions in the best interests of the Company.

The Board of the Company is comprised of the Chairman and Managing Director, one Executive Director and Six Non-Executive Directors of whom Five are independent directors.

The Board Meetings are scheduled in accordance with the provisions of the applicable laws and guidelines. During the period under review 6 (Six) Meetings of the Board have taken place on 30th April 2009, 29th July 2009, 28th August 2009, 29th October 2009, 29th January, 2010 & 20th February, 2010.

Details of attendance of each Director at various meetings of the company and their Directorships held at other corporate bodies are as follows:

Name of Director	Category	No. of Board Meetings attended	Last AGM attended	No. of other Directorships (Public Ltd companies)*	No. of other Directorships (Private Ltd companies)	No. of Committee memberships*#	No. of Chairman-ship in Board / committees*#
Mr. P.L.Suri	Executive Chairman & Mg. Director Promoter	6	No	3	4	-	1
Mrs. Sunita Suri	Executive Director Promoter	6	Yes	1	5	-	-
Mrs. Mamta Suri	Non Executive Promoter	6	No	1	4	1	-
Mr. B. K. Goswami	Independent Non Executive	4	Yes	14	3	7	3
Mr. K. S. Mehta	Independent Non Executive	4	No	12	1	6	1
Dr. Vijay Mohan Kaul	Independent Non Executive	5	Yes	1	2	2	-
Mr. Ashoka Kini	Independent Non Executive	6	No	-	-	-	-

*Other Directorships does not include the Directorships in Section 25 Companies of the Companies Act, 1956. No. of Other Directorships/Membership/Chairmanship in the Board/Committees of the Company includes the Directorship/Membership/Chairmanship in the Company.

#Committee positions of only 2 Committees namely Audit Committee and Investors'/Shareholders' Grievance Committee have been considered pursuant to Clause 49 of Listing Agreement.

DIRECTORS' SHAREHOLDING IN THE COMPANY

Details of the equity shares held by each of the Directors in the Company as on March 31, 2010:

Name of Director	Category	No. of Equity shares of Rs. 10/- each	No. of Preference shares of Rs. 100/- each
Mr. P. L. Suri	Chairman & Managing Director, Promoter	30400	Nil
Mrs. Sunita Suri	Executive Director, Promoter	25200	315000
Mrs. Mamta Suri	Non Executive, Promoter	89000	250000
Mr. B.K. Goswami	Independent Non Executive	Nil	Nil
Mr. K S Mehta	Independent Non Executive	Nil	Nil
Dr. Vijay Mohan Kaul	Independent Non Executive	Nil	Nil
Mr. Ashoka Kini	Independent Non Executive	Nil	Nil
Mr. Shivendra Tomar	Independent Non Executive, Nominee Director	Mr. Tomar was appointed as Director on the Board of the Company with effect from July 26, 2010.	

COMMITTEE OF DIRECTORS:

The following Committees of the Board of Directors of the Company were in existence during the year:

a) AUDIT COMMITTEE:

The Audit Committee comprises of four Non-Executive Directors namely, Mr. B. K. Goswami, Chairman, Mr. K.S. Mehta, Dr. V.M. Kaul and Mrs. Mamta Suri out of whom three are independent Directors.

Mr. B.K. Goswami is a retired IAS Officer who has held various portfolios during his tenure in the Central Government. Mr. K.S. Mehta is a Chartered Accountant of repute and his expertise is of immense benefit to the functioning of the Committee. The terms of reference of Audit Committee are as stipulated under Clause 49 of the standard listing agreement and Section 292A of the Companies Act, 1956. Six meetings of the committee were held during the period under report viz., on 30th April 2009, 08th May, 2009, 29th July 2009, 28th August 2009, 29th October 2009 & 29th January, 2010.

Details of attendance of the members at the meeting of the Committee are given hereunder:

NAME OF THE DIRECTOR	CATEGORY	NO. OF MEETINGS ATTENDED
Mr. B. K. Goswami	Independent / Non-executive	4
Mr. K. S. Mehta	Independent / Non-executive	4
Dr V. M. Kaul	Independent / Non-executive	5
Mrs. Mamta Suri	Non-executive	5

b) INVESTORS GRIEVANCE COMMITTEE:

The Board of Directors has constituted Investors Grievance Committee comprising of Mr. B.K. Goswami as Chairman, Mr. K.S. Mehta and Dr. V.M. Kaul as its members to ensure the redressal of shareholders and the investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. Share transfers are processed well within the stipulated period.



During the period under review no complaints from the investors remain unresolved.

COMPLIANCE OFFICER OF THE COMPANY

Mr. Darpan Batra
AGM - Corporate Affairs & Company Secretary
Tel. : +91 11 2335 8774-775
Fax. : +91 11 2335 8776
E mail id : darpanbatra@bluecoast.in

c) REMUNERATION COMMITTEE:

A Remuneration Committee consisting of Directors on the Board of the Company has been constituted. The Committee determines, on behalf of the Board and on behalf of the shareholders as per agreed terms of reference, the Company's policy of remuneration package for the Managing Director and Whole-time Director(s), including their pension rights and other compensatory payments based on the overall performance and annual financial results of the Company. The Committee comprises of three independent and Non-Executive Directors viz. Mr. K.S. Mehta, Chairman, Mr. B.K. Goswami and Dr. V.M. Kaul. No remuneration is paid to the Non-Executive Directors except the sitting fee payable for attending the Board/ Committee Meetings. No stock option has been offered to the Directors or Executives of the Company. No Meeting of the committee was held during the period under report.

Details of remuneration paid/ payable to the directors during the period under report are as under: -

Name of Directors	Fees & Remuneration (in Rs.)			
	Sitting Fees	Salary & Perks	Commission	Total
Mr Mr. P.L. Suri	Nil	48,00,000	Nil	48,00,000
Mrs. Sunita Suri	Nil	42,00,000	Nil	42,00,000
Mrs. Mamta Suri	55,000	Nil	Nil	55,000
Mr. B.K. Goswami	40,000	Nil	Nil	40,000
Mr. K.S. Mehta	40,000	Nil	Nil	40,000
Dr. Vijay Mohan Kaul	50,000	Nil	Nil	50,000
Mr. Ashoka Kini	30,000	Nil	Nil	30,000

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

Pursuant to the SEBI (Prevention of Insider Trading) Regulations, 2002 the Board of Directors of the Company has adopted a Code of Conduct for the Prevention of Insider Trading. The Board and Senior Management affirm compliance with the said Code of Conduct.

DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR UNDER CLAUSE 49 (1D) OF THE LISTING AGREEMENT

I hereby confirm that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management, as approved by the Board, for the financial year ended March 31, 2010.

Date : August 28, 2010

Place : New Delhi

P.L. Suri

Chairman & Managing Director

CEO/CFO CERTIFICATION

In terms of the requirements of Clause 49 (v) of the Listing Agreement, the Chairman & Managing Director and Asstt. Vice President (Finance & Accounts) have submitted necessary certificate to the Board of Directors stating the particulars specified under the said clause.

GENERAL BODY MEETINGS

FINANCIAL YEAR	DATED	VENUE	TIME
2006-2007	28th September, 2007	263C, Arossim, Cansaulim, Goa-403712	11:00 a.m.
2007-2008	29th September, 2008	263C, Arossim, Cansaulim, Goa-403712	10:00 a.m.
2008-2009	30th September, 2009.	263C, Arossim, Cansaulim, Goa-403712	10:00 a.m.

Besides the above Annual General Meetings a meeting of Preference Share holders of the company was held on 29th September, 2009.

All special resolutions at the aforesaid Annual General Meeting were passed on poll unanimously. The Company has not yet passed any resolutions where voting by postal ballot was required.

MATERIAL DISCLOSURES:

- i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.
None of the transactions with related parties is in conflict with the interests of the Company at large.
- ii. Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
During the last three years, there were no penalties or strictures imposed on the Company either by the Stock Exchanges or SEBI for non-compliance of any matter related to capital market.

MEANS OF COMMUNICATION

Quarterly Financial Results of the Company	:	Are sent to the stock exchanges and also published in the national and regional newspaper.
Which newspaper normally published in	:	Business Standard/ Tarun Bharat (Goa)
Annual Accounts	:	Audited Annual Accounts are sent to each of the shareholders of the Company.
Any web site, where published	:	www.bluecoast.in
Management Discussion and Analysis is part of Annual Report	:	Yes

SHAREHOLDERS INFORMATION

ANNUAL GENERAL MEETING

DATE	:	September 29, 2010
TIME	:	10:00 A.M
VENUE	:	263C Arossim, Cansaulim, Goa - 403712.
Book Closure	:	September 23, 2010 to September 29, 2010 (Both days inclusive)
FINANCIAL CALENDER (Tentative and subject to change)		
Financial Year	:	1st April to 31st March

For the year ending 31st March 2011

the financial results will be announced by:

Quarter Ended 30th June, 2010

Quarter Ended 30th Sept., 2010

Quarter Ended 31st Dec., 2010

Quarter Ended 31st March, 2011

Audited Annual

DIVIDEND PAYMENT DATE

: First fortnight of August, 2010

: First fortnight of November, 2010

: First fortnight of February, 2011

: First fortnight of May, 2011

: End August, 2011

: No dividend is being recommended for the year ended 31st March 2010

LISTING ON STOCK EXCHANGE

: Equity shares of the Company are listed on:
Bombay Stock Exchange Limited, Mumbai
National Stock Exchange

STOCK CODE

: 531495(BSE), BLUECOAST (NSE)

ISIN

: INE472B01011

MARKET PRICE DATA OF EQUITY SHARES :

Months	BSE		NSE	
	High	Low	High	Low
April 2009	71.00	71.00	93.10	85.50
May 2009	74.55	71.00	90.30	82.00
June 2009	105.00	74.60	102.80	90.00
July 2009	104.70	99.00	100.00	95.00
August 2009	103.00	94.00	112.35	90.00
September 2009	124.60	101.75	123.00	105.00
October 2009	117.00	102.05	110.25	97.45
November 2009	106.05	96.10	110.00	95.05
December 2009	131.00	108.15	115.00	99.80
January 2010	143.60	117.90	140.00	113.25
February 2010	139.95	120.15	146.50	127.05
March 2010	136.90	124.00	139.00	126.00

DISTRIBUTION OF EQUITY SHAREHOLDERS AS ON 31st MARCH 2010

Nominal Share Capital (Rs.)		No. of Shareholders	% of total Shareholders	% of paid up Share Capital
Up to	- 5000	956	87.55	1.06
5001	- 10000	37	3.39	0.32
10001	- 20000	22	2.01	0.36
20001	- 30000	30	2.75	0.85
30001	- 40000	4	0.37	0.16
40001	- 50000	3	0.27	0.16
500001	- 100000	3	0.27	0.22
100000	- & above	37	3.39	96.86
TOTAL		1092	100	100

SHAREHOLDING PATTERN (EQUITY SHARES) AS ON MARCH 31, 2010

	Category of Shareholders	No. of Shareholders	Total No. of Shares	As a %age of A+B
A	Shareholding of Promoters and Promoter Group			
(1)	Indian			
	(a) Individuals/ HUF	13	403100	4.55
	(b) Central Govt. / State Govt.	0	0	0.00
	(c) Bodies Corporate	13	3539940	39.93
	(d) Financial Institutions/ Banks	0	0	0.00
	(e) Any Other (Specify)	0	0	0.00
	Sub Total (A) (1)	26	3943040	44.48
(2)	Individuals (Non Resident/ Foreign)	0	0	0.00
	(b) Bodies Corporate	0	0	0.00
	(c) Institutions	0	0	0.00
	(d) Any Other (Specify)	0	0	0.00
	Sub Total (A) (2)	0	0	0.00
	Total (A)	26	3943040	44.48
B	Public Shareholding			
(1)	Institutions			
	(a) Mutual Fund/UTI	0	0	0.00
	(b) Financial Institutions/ Banks	0	0	0.00
	(c) Central Govt. / State Govt.	0	0	0.00
	(d) Venture Capital Fund	0	0	0.00
	(e) Insurance Companies	0	0	0.00
	(f) FII's	0	0	0.00
	(g) Foreign Venture Capital Investors	0	0	0.00
	(h) Any other (Specify)	0	0	0.00
	Sub Total (B) (1)	0	0	0.00
(2)	Non-institutions			
	(a) Bodies Corporate	69	2349995	26.51
	(b) Individuals			
	i. Individual shareholders holding nominal share capital up to Rs. 1 lac	979	233793	2.64
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lac	1	17638	0.20
	(c) Any other (Specify)			
	Clearing Member	7	955	0.01
	Non Residents	8	7379	0.08
	Foreign Companies	2	2312162	26.08
	Trust	0	0	0.00
	Sub Total (B) (2)	1066	4921922	55.52
	Total (B)	1066	4921922	55.52
C	Shares held by Custodian and against which Depository Receipts have been issued			
		0	0	0.00
	Sub Total (C)	0	0	0.00
	Grand Total (A+B+C)	1092	8864962	100.00



VOTING RIGHTS IN THE COMPANY

Break up of the paid up Share Capital of the Company which enjoys right to vote on every resolution placed before the Company at the ensuing Annual General Meeting:

Held by	Equity shares (listed) Rs.	%age	Pref. Share Capital* (not listed) Rs.	%age	Total Rs.	Total %age
Promoters	39430400	44.48%	815000000*	100.00%	854430400	94.55%
Non Promoters	49219220	55.52%	0	0.00%	49219220	5.45%
Total	88649620	100.00%	815000000	100.00%	903649620	100.00%

* In terms of the provisions contained in Section 87(2)(b)(i) of the Companies Act, 1956

SHARE TRANSFER SYSTEM

The transfer of equity shares in physical mode is done well within the stipulated time. Mr. Darpan Batra, Company Secretary, who is also the compliance officer, looks after the share transfer formalities on regular basis.

In compliance with the Listing Guidelines a practicing Company Secretary audits the Share Transfer system and a certificate to that effect is issued by him periodically.

REGISTRAR AND SHARE TRANSFER AGENT

The Company has appointed RCMC Share Registry Pvt. Ltd. as its registrar and share transfer agent (RTA) for equity shares (kept in physical as well as electronic mode). All communication relating to the transfer of shares, change of address etc. can be addressed to the RTA at the following address:

RCMC Share Registry Pvt. Ltd.

B-106, Sector -2, NOIDA 201301 U.P. Ph. : +91 120 401 5880 Fax : +91 120 244 4346

DEMATERIALISATION OF SHARES

The Company's shares are traded only in dematerialized form and to facilitate that the Company has executed agreements with both existing Depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and has established connectivity with the depositories through its Registrar and Share Transfer Agent, RCMC Share Registry Pvt. Ltd. As on March 31, 2010, 64,16,465 equity shares that is 72.38% of the Company's Issued and Paid-up Equity Share Capital have been dematerialized.

OUTSTANDING GDRs/ADRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company has Issued and Paid up Preference Share Capital of Rs. 81,50,00,000 consisting of 41,50,000 10% Cumulative Redeemable Preference Shares of Rs. 100 each and 40,00,000 1% Cumulative Redeemable Preference Shares of Rs. 100 each.

The Shareholders of the Company in the last Annual General Meeting held on September 30, 2009 had approved the conversion of 40,00,000 1% Cumulative Redeemable Preference Shares of Rs. 100/- each into Equity Shares subject to the applicable permission/exemption/approvals of the appropriate authorities.

With the allotment of Equity Shares on conversion of the said Preference Shares the Issued and Paid up Equity Share Capital shall stand increased by the nominal value of Equity Shares issued and allotted upon such conversion of Preference Shares.

PLANT LOCATION

The Company is solely engaged in the Hotel business and its hotel is situated at the following address:

Park Hyatt Goa Resort & Spa, Arossim Beach, Cansaulim, Goa 403712

ADDRESS FOR CORRESPONDENCE**Blue Coast Hotels Limited****Registered Office:**

263C, Arossim, Cansaulim, Goa - 403712

Tel.: +91 832 272 1234 Fax : +91 832 272 1238

Corporate Office:

415-417, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi - 110 001

Tel. : +91 11 2335 8774-775 Fax. : +91 11 2335 8776

Auditors' Certificate on Corporate Governance

To The Members of
Blue Coast Hotels Limited

We have examined the compliance of conditions of Corporate Governance by Blue Coast Hotels Limited, for the period ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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 as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee.

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

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

**Place : New Delhi
Date : 28th August, 2010**

**(S.K. Goyal)
(Partner)**

Management Discussion & Analysis Report

GLOBAL TOURISM INDUSTRY

Even though the Travel & Tourism activity was hit hard by the global slump, with Travel & Tourism Economy GDP contracting by 4.8% in 2009, presently the global economy shows signs of a multi speed recovery with emerging economies such as India and China experiencing higher levels of economic growth than the western economies of US, Europe and the United Kingdom as households, corporations and governments all battle to rebuild their balance sheets. As per survey of one of leading hospitality expert the Room Rates have also started increasing since the global economy emerged from recession in 2009. Average room rates across the 12 key global focus cities surveyed to grow by around 5% over the 2nd quarter of 2010.

The world GDP in real terms - supported by continued strong growth in emerging economies - is expected to expand by 3% in 2010 and 3½% in 2011.

In view of start of Global recovery led by renewed expansion in emerging countries coupled with the growing priority accorded by people in developed countries to leisure tourism and all round focus on travel and tourism the current trends and prospects for Travel & Tourism remain strong.

INDIAN TOURISM INDUSTRY

The year 2009-10 once again notes the resurgence of the domestic traveler, marking a close similarity to the rescue of the sector during the previous downturn. While the rates dropped in some places the strong increase in domestic demand actually led to an 8% increase in nationwide occupancy. New data from the tourism ministry shows that domestic travel increased by 15.5% in 2009 as compared to 2008 at a time when travel was dipping across the world and foreign tourist visit in India also saw a decline of 2% in the same period.

As per the Travel and Tourism Competitiveness Report 2009 by the World Economic Forum, India is ranked 11th in the Asia Pacific region and 62nd overall, moving up three places on the list of the world's attractive destinations. It is ranked the 14th best tourist destination for its natural resources and 24th for its cultural resources, with many World Heritage sites, both natural and cultural, rich fauna, and strong creative industries in the country. India also bagged 37th rank for its air transport network. The India travel and tourism industry ranked 5th in the long-term (10-year) growth and is expected to be the second largest employer in the world by 2019.

India's Ministry of Tourism has projected the number of foreign tourists arrival in India to rise 10 million in 2010. According to the estimates, India epitomizes one of the most potential tourism markets in the world. It is believed that in the next few years India Tour Industry will gain new heights and the percentage of India's share in the global tourism will grow 1.5% by 2010.

We believe that the domestic market will continue to play a dominant role not just within hospitality sector but across all sectors and will help further insulate the Indian economy from problems in other countries and make India susceptible to global economic fluctuations. From the current trends, It looks that demand levels will continue to improve in 2010-11 as global economic growth gathers momentum, strong domestic demand due to companies increase spending on travel and with expectations of healthy increase in Salaries. As far as there is a concern for proposed new supply across the country especially of branded category, it is expected that there will be pressure on occupancies in some markets in short run, however in the long run demand supply gap in India is very real and that there is a need for more good hotels in most cities.

TOURISM INDUSTRY IN GOA

The Airport Authority of India (AAI) has chalked out plans to renovate and add facilities to the existing Dabolim Airport in Goa. The integrated terminal building would include aero bridges and multi level car parking, with the capacity to handle over 2000 domestic passengers and 700 international passengers during peak hours. Air Arabia commenced non-stop flights to Goa in



April, and in October Qatar Airways is connected additional destinations to their Goa flight which will help boost the travel and tourism sector. With the online market also developing additional opportunities will present themselves over the coming years. This is expected to broaden the market for Goa and will lead to increase in demand for hotel rooms in Goa.

Goa experienced steady growth in demand across all segments from 2005 except in 2009 due to after effect of global recession and Mumbai terror attack which has happened at a time when the season was about to takeoff. Presently the things are gradually going back to normal and the foreign tourist arrival is picking up though there is some change that due to direct international flights the dependency on Chartered flights is reducing. Apart from there is steep increase in domestic travel to whom the Goa has always been a favourite destination and it is helping the hotels to take care of their bottom lines in summer and monsoon season. Due to global recovery and strong domestic demand things looks to be very positive for Goa.

REVIEW OF OPERATIONS

Park Hyatt Goa Resort & Spa continues to be the market leader in terms of total revenue and Revenue Market Share Index (RMSI). For the period under report Park Hyatt Goa Resort & Spa achieved an average occupancy of 73% and its ARR and Rev Par stood at Rs. 8529 and Rs. 6206 respectively.

FUTURE PLANS AND OUTLOOK

Park Hyatt Goa Resort and Spa, the resort owned by the Company, has strengthened its position in the Goa market over the past years. The resort has achieved the position of market leader by achieving highest RMSI and holding on the same Year to Date.

With the completion of the enhancement program in the Restaurants and Public Areas and with the refurbishment of 100 rooms Park Hyatt Goa Resort & Spa has showcased its true character and is well poised to serve the discerning travelers. The refurbishment of the additional 8 suite rooms and 35 Standard rooms will be undertaken in due course on noticing the rebound in the demand for rooms.

Outlook in the immediate future look very promising in the year 2010-2011.

As part of its expansion plans the Company has already acquired Lands for the Hotel Project at Delhi and Amritsar.

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.

RISK FACATORS

Socio-Economic & Political Factors:

This industry is highly susceptible to the changes in Socio-political and economic environment of the country and abroad. Terrorist global attacks, communicable diseases etc. may affect the business of the Company. It is also closely intertwined with the fortunes of the global economy.

Exchange Rate Fluctuations:

A large part of Company's earnings are in foreign exchange and any adverse movement in the exchange rate would affect its earnings. However, Hyatt International has introduced single currency concept in India which has to a large extent neutralize the loss on foreign exchange conversion.

Specific Risks:

Though there are no specific risks involved with the business yet the absence of good infrastructure in terms of airports/ roads etc continues to be a bottleneck for further growth in the tourism industry.

FINANCIAL PERFORMANCE

For the period under report the Company's Total Income for the year under report stood at Rs. 8854.67 lakhs (previous period Rs. 7705.77 lakhs) against which it made a profit (before tax) of Rs. 668.89 lakhs (previous period Rs. 318.34 lakhs).

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company continues to focus on compliances under various rules and regulations which is core strength of a business. Internal Audit is carried out by the Internal Auditors and Statutory Auditors at regular interval reports whereof are presented before the Audit Committee followed by the compliance report on the deviations reported in the internal audit report. Accordingly the sufficiency of the internal control systems and implementation of recommendation are constantly governed by the Audit Committee.

HUMAN RESOURCES

The Company continues to focus on its endeavor to be a preferred employer in Goa and on the principles of Attracting, Managing, Nurturing and retaining their employees reducing the employee turnover.

The number of people employed on full time basis by the Company in Park Hyatt Goa Resort & Spa as on 31st March 2010 stood at 546, including outsourced employees.

CAUTIONARY STATEMENT

Certain Statement made in the Management Discussions and Analysis Report are based on the predictions and expectations of the Management and may be 'forward-looking statements', with the meaning of applicable securities laws and regulations. These statements are based upon certain assumptions and actual results may vary from such expectations. 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.



Auditors' Report

To the Members of Blue Coast Hotels Limited

(Blue Coast Hotels and Resorts Limited upto 28th October 2009)

- 1) We have audited the attached balance sheet of **Blue Coast Hotels Limited** (Blue Coast Hotels and Resorts Limited upto 28.10.2009) as at 31st March 2010 and the profit and loss account and also the cash flow statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of accounts.
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v. On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31 March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2010;
 - (b) in the case of profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For M Kamal Mahajan And Co.
Chartered Accountants
(Firm Regn. No. 06855N)

(S.K. Goyal)
(Partner)

Membership Number 084613

Place : New Delhi
Date : August 28, 2010



Annexure to Auditors' Report

Referred to in paragraph (3) of our report of even date to the members of Blue Coast Hotels Limited (Blue Coast Hotels and Resorts Limited upto 28.10.2009) on the Financial Statements for the year ended 31st March, 2010

- (i)
 - (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, all the fixed assets have been physically verified by the management during the year. As explained to us by the company, no material discrepancies were noticed on such verification.
 - (c) During the period, the company has not disposed off substantial part of the fixed assets.
- (ii)
 - (a) As explained to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- (iii)
 - (a) As per records of the company and as per information and explanations furnished to us, we are of the opinions that the company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) Not applicable in view of iii(a) above
 - (c) Not applicable in view of iii(a) above
 - (d) Not applicable in view of iii(a) above
 - (e) In our opinion and as per the information given to us, the company has not taken any loans, secured or unsecured, from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (f) Not applicable in view of iii(e) above
 - (g) Not applicable in view of iii(e) above
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls systems.
- (v)
 - (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in



section 301 of the act, wherever applicable, have been entered in the register required to be maintained under that section.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public and hence provisions of section 58A and 58AA of the Companies Act, 1956 are not applicable.
- (vii) In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) As explained to us, the Central Government has not prescribed any cost records under Section 209 (1) (d) of the Companies Act, 1956 for the company.
- (ix) (a) According to the records of the company, the company in general, is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-tax, Wealth-tax Service tax, custom duty, Excise duty, Cess and other statutory dues applicable to it.
(b) According to the information and explanations given to us and on the basis of our verification of books of accounts of the company, no amounts payable in respect of Income-tax, Sales-tax, Wealth tax, Service-tax Custom duty, Excise duty, cess were outstanding, as at 31st March, 2010 due to any dispute.
- (x) The company has no accumulated losses as on 31st March, 2010. The company has not incurred cash losses during the year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations give by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution and bank.
- (xii) Based on our examination of documents and records, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the company is not a chit fund/nidhi/mutual benefit fund/societies and hence provisions of clause (xiii) are not applicable to it.
- (xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments hence provisions of this clause are not applicable to it.
- (xv) Based on our examination of the records of the company and as explained to us, we are of the opinion that the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on our examination of the records, we are of the opinion that the term loans have been applied for the purpose for which they were raised.

- (xvii) Based on our examination of the records, we are of the opinion that funds raised from short term basis were not used for long term investment.
- (xviii) During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) During the year covered by our audit report, the company has not issued any debentures hence provisions of this clause are not applicable to it.
- (xx) During the year covered by our audit report, the company has not raised any money by way of public issue.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

**For M Kamal Mahajan And Co.
Chartered Accountants
(Firm Regn. No. 06855N)**

**Place: New Delhi
Date: August 28, 2010**

**(S K Goyal)
(Partner)
Membership Number 084613**

BLUE COAST HOTELS LIMITED

(Blue Coast Hotels and Resorts Ltd. upto 28th October, 2009)

Balance Sheet

As at 31st March 2010

(Rs. in thousand)

	Schedules	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	I	903650	903650
Reserves & Surplus	II	<u>796868</u>	<u>728129</u>
		<u>1700518</u>	<u>1631780</u>
LOAN FUNDS			
Secured Loans	III	1582845	807920
Unsecured Loans	IV	<u>8090</u>	<u>14986</u>
		<u>1590935</u>	<u>822906</u>
DEFERRED TAX LIABILITY			
		<u>173987</u>	<u>151471</u>
	TOTAL	<u>3465440</u>	<u>2606157</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
	V		
Gross Block		2504973	2528720
Less : Depreciation		<u>547416</u>	<u>475627</u>
Net Block		<u>1957557</u>	<u>2053093</u>
INVESTMENTS			
		1313923	428325
CURRENT ASSETS, LOANS & ADVANCES			
Current Assets	VI		
Inventories		139577	135907
Sundry Debtors		34293	41258
Cash & Bank Balances		58975	75808
Loans & Advances	VII	<u>128310</u>	<u>108125</u>
		<u>361154</u>	<u>361098</u>
Less : CURRENT LIABILITIES & PROVISIONS			
	VIII		
Current Liabilities		147770	196060
Provisions		<u>19878</u>	<u>40299</u>
		<u>167649</u>	<u>236359</u>
NET CURRENT ASSETS			
		193505	124739
MISCELLANEOUS EXPENDITURE			
(To the extent not written off / adjusted)			
Preliminary Expenses		<u>454</u>	<u>-</u>
	TOTAL	<u>3465440</u>	<u>2606157</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	XV		

Per our separate report of even date
For M.KAMAL MAHAJAN AND CO.
Chartered Accountants
(Firm Regn No. 06855N)

For and on behalf of the Board

S K Goyal
Partner
M.No. 084613

P. L. Suri
Chairman & Managing Director

Sunita Suri
Executive Director

B. K. Goswami
Director

Place : New Delhi
Date : 28th August, 2010

Suresh Gupta
Asstt. Vice President (Fin. & Acts)

Darpan Batra
AGM - Corporate Affairs &
Company Secretary

Profit and Loss Account

For the Year Ended 31st March 2010

(Rs. in thousand)			
	Schedules	Year Ended 31.03.2010	Year Ended 31.03.2009
INCOME			
Operational Revenue	IX	871873	764282
Other Income	X	13594	6295
		<u>885467</u>	<u>770577</u>
EXPENDITURE			
Consumption of Materials, Stores & Supplies	XI	162809	149167
Payment to and Provisions for Employees	XII	151567	157058
Operating and General Expenses	XIII	<u>279570</u>	<u>263097</u>
		593946	569322
Profit before Depreciation and Interest		291522	201255
Depreciation		88519	90252
Interest and Finance Charges	XIV	<u>136114</u>	<u>79169</u>
Profit before Tax		66889	31834
- Current Tax		11368	3607
- MAT credit entitlement		(11368)	(3607)
- Deferred Tax Liability / (Asset)		22515	10820
- Fringe Benefit Tax		—	630
- Income Tax provision in earlier years written back		<u>(24365)</u>	<u>—</u>
Profit after Tax		68739	20384
Balance as per last Balance Sheet		68646	248262
Transfer to General Reserve		—	200000
Balance carried to Balance Sheet		<u>137385</u>	<u>68646</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	XV		

Per our separate report of even date
For M.KAMAL MAHAJAN AND CO.
Chartered Accountants
(Firm Regn No. 06855N)

For and on behalf of the Board

S K Goyal
Partner
M.No. 084613

P. L. Suri
Chairman & Managing Director

Sunita Suri
Executive Director

B. K. Goswami
Director

Place : New Delhi
Date : 28th August, 2010

Suresh Gupta
Asstt. Vice President (Fin. & Acts)

Darpan Batra
AGM - Corporate Affairs &
Company Secretary



Schedules forming part of the Balance Sheet

As at 31st March 2010

		(Rs. in thousand)	
	As at 31.03.2010	As at 31.03.2009	
I SHARE CAPITAL			
Authorised			
- 265,00,000 Equity Shares (Previous year 185,00,000) of Rs. 10/- each	265000	185000	
- 81,50,000 Preference Shares of Rs. 100/- each	815000	815000	
	<u>1080000</u>	<u>1000000</u>	
Issued, Subscribed and paid up			
- 88,64,962 Equity Shares of Rs.10/- each fully paid up	88650	88650	
- 81,50,000 Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up	815000	815000	
	<u>903650</u>	<u>903650</u>	
II RESERVES AND SURPLUS			
Securities Premium Account	466815	466815	
General Reserve	192668	192668	
Surplus as per Profit & Loss Account	137385	68646	
	<u>796868</u>	<u>728129</u>	
III SECURED LOANS			
Term loan from banks/Financial Institutions	1500000	724900	
Working Capital Loans from banks	67249	72375	
Other Loans	5816	5782	
Interest accrued and due	9780	4863	
	<u>1582845</u>	<u>807920</u>	
IV UNSECURED LOANS			
Short Term Loans from banks	8090	14986	
	<u>8090</u>	<u>14986</u>	

V. FIXED ASSETS

(Rs. in thousand)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Addition	Sale/Adj	As at 31.3.2010	As at 01.04.2009	For the year	Adjustment	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land and Site development	196913	—	—	196913	—	—	—	—	196913	196913
Building										
— Hotel	1597610	309	16144	1581775	137589	25870	—	163459	1418317	1460021
— Others	2042	—	—	2042	451	33	—	484	1558	1591
Plant & Machinery	400028	2924	3711	399151	189828	35730	—	225558	173594	210200
Operating Equipments	14695	2838	—	17533	8658	1482	—	10140	7394	6037
Electricals Installation	75039	2232	55	77215	17726	3635	12	21349	55866	57313
Vehicles	25596	4652	2856	27392	5518	2484	491	7510	19882	20078
Furniture-Fixture - Hotel	163063	1322	249	164136	75387	14183	107	89464	74672	87675
Furniture-Fixture - Others	10360	73	—	10433	5421	660	—	6081	4352	4939
Office Equipment	5133	117	—	5250	2948	369	—	3317	1933	2184
Computer Software	8069	581	7107	1543	7188	311	7107	392	1151	881
Computer Equipment	30173	431	9013	21591	24912	3764	9013	19663	1928	5261
TOTAL	2528720	15477	39135	2504973	475627	88519	16730	547416	1957559	2053093
PREVIOUS YEAR	2442346	100107	13733	2528720	392308	90252	6932	475627	2053093	—

(Rs. in thousand)

	As at 31.03.2010	As at 31.03.2009
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VI CURRENT ASSETS

Inventories (As certified by Management)

- Stock of Stores and Operating Supplies
- Food & Beverages

131709	128571
7868	7336
<u>139577</u>	<u>135907</u>

Sundry Debtors

- Exceeding six months
- Others

1279	1915
33014	39342
<u>34293</u>	<u>41258</u>

Less : Provisional for Doubtful Debts

—	—
<u>34293</u>	<u>41258</u>

Cash & Bank Balances

- Cash on hand
- Balance With Scheduled Banks
- In Current Accounts
- Deposit Account

1816	1253
43087	73163
14072	1392
<u>57159</u>	<u>74555</u>
<u>58975</u>	<u>75808</u>

	(Rs. in thousand)	
	As at 31.03.2010	As at 31.03.2009
VII LOANS AND ADVANCES		
(Unsecured, unconfirmed but considered good)		
Advances recoverable in cash or in kind or for value to be received	26473	25518
Other Loans and Advances	13979	4522
Advance income tax paid	25338	27413
MAT credit entitlement	56670	45302
Commission receivable	677	767
Interest accrued but not due	832	312
Security Deposit	4341	4292
	<u>128310</u>	<u>108125</u>
VIII CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors for:		
- Capital Expenditure	5796	8830
- Due to small and micro enterprises	—	—
- Others	42640	66013
Others Payable	70612	87928
Advance from Customers	23327	27894
Earnest Money Deposit	5395	5395
TOTAL	<u>147770</u>	<u>196060</u>
B. Provisions		
Taxation	19878	40299
	<u>19878</u>	<u>40299</u>
TOTAL(A+B)	<u>167649</u>	<u>236359</u>

Schedules forming part of the Profit and Loss Account

For the year ended 31st March, 2010

Annual Report 2009-10

				(Rs. in thousands)	
				Year Ended 31.03.2010	Year Ended 31.03.2009
IX	Operational Revenue				
	Accommodation			564576	514359
	Food & Beverages			211829	168815
	Wine & Liquor			37382	29195
	Commission on sale at Shops			5974	6192
	Transportation			9100	7683
	Spa/ Fitness Centre			35710	30428
	Other Departments			7303	7610
				<u>871873</u>	<u>764282</u>
X	Other Income				
	Interest income			961	166
	Misc income			11165	4927
	Exchange fluctuation			1468	1202
				<u>13594</u>	<u>6295</u>
XI	Consumption of Material, Stores & Supplies				
	Opening Stock	Purchases	Closing Stock		
	Provisions & Beverages	2666	56529	3113	
	Wine & Liquor	4669	16880	4755	
	Stores & Supplies	<u>129946</u>	<u>91696</u>	<u>131709</u>	
		<u>137281</u>	<u>165105</u>	<u>139577</u>	
				162809	149167
XII	Payment to and Provision for Employees				
	Salaries , Wages and bonus			116929	121240
	Provident fund and other funds			6511	7251
	Gratuity, L.T.A			3995	6266
	Workmen and staff welfare			18011	16514
	Recruitment & Training			6121	5786
				<u>151567</u>	<u>157058</u>
XIII	Operating and General Expenses				
	Telephone			3428	3710
	Electricity & Fuel Expenses			45668	50653
	Repair & Maintenance			28806	33024
	Insurance			2414	3371
	Rent			3395	3192
	Travelling			8033	8777
	Legal & Professional			31682	26250
	Secretarial & Roc Exp			258	311
	Printing & Stationery			3666	3451
	Management Expense			62205	49432
	Sales & Marketing Exp			63385	51671
	Misc. Expenses Written Off			114	473
	Loss on sale of Fixed Assets			1338	5452
	Rates & Taxes			449	379
	Prior Period Expenses			39	887
	Misc Expenses			24689	22064
				<u>279570</u>	<u>263097</u>
XIV	Interest & Finance Charges				
	Interest-Banks /Financial Institutions			118917	77135
	Financial/Bank Charges			17197	2034
				<u>136114</u>	<u>79169</u>



Significant Accounting Policies and Notes on Accounts

For the year ended 31st March, 2010

I. SIGNIFICANT ACCOUNTING POLICIES

a) Basis for preparation of accounts

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

b) Fixed Assets

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

c) Depreciation

Depreciation on fixed assets is provided on straight line method in accordance with Section 205(2)(b) of the Companies Act, 1956 at the rates which are not lower than the rates specified in Schedule XIV to the Companies Act, 1956.

d) Investments

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

e) Revenue recognition

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

f) Share Issue Expenses

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

g) Foreign Currency Transactions

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

Monetary foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to /deducted from the cost of the asset and depreciated over the balance life of the asset.

All other exchange differences are dealt with in the profit and loss account.

h) Inventory

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

i) Contingent Liabilities

These are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts in respect of those liabilities which are likely to materialize after the year end till the finalization of accounts and have material effect on the position stated in the Balance Sheet.

j) Impairment of assets

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

k) Amortization of Miscellaneous Expenditure

Preliminary Expenses are written off over a period of five to ten years.

l) Taxation

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

m) Employee Retirement benefits

The contribution to the Provident Fund and Employees State Insurance under the defined contribution plans are charged to revenue. Gratuity and Leave encashment are accounted for on accrual basis.

II. NOTES ON ACCOUNTS

1. Share Capital

1.1 Preference share capital amounting to Rs. 815000 thousands consists 41,50,000, 10 % cumulative redeemable preference shares of Rs. 100/- each redeemable at par in the year 2017-18 and 40,00,000, 1% cumulative redeemable preference share of Rs. 100/- each redeemable at par in the year 2019-20. All these shares are participating preference shares and are subject to put and call option exercisable at the end of 3rd, 6th, 9th and 12th year of allotment. In terms of the provisions contained in section 87(2)(b)(i) of the Companies Act, 1956 members holding these shares are entitled to vote on every resolution placed before the company at any meeting. The shareholders, in their last Annual General Meeting, held on 30th September 2009 have approved the conversion of 40,00,000, 1% cumulative redeemable preference share of Rs. 100/- each into equity shares of Rs. 10/- each in accordance with the applicable guidelines, rules and regulations. The company is in the process of conversion of preference share capital into equity share capital.

2. Secured Loans

2.1 During the year, the company has repaid to existing secured term lenders of Rs. 724900 thousands in full by obtaining fresh Corporate Loan of Rs 150000 thousand from IFCI Ltd and utilized the balance for making investment in new five star hotel project. The new loan is secured by first mortgage on hotel property of the company at Goa. The Loan is further secured by personal guarantee of executive directors.

2.2 Working Capital loans from banks amounting to Rs. 67249 thousands (P.Y. 72375 thousands) are secured by way of hypothecation of raw materials, semi-finished goods, finished goods, stores, book debts and other current assets of the company in addition to second pari-passu charge over the entire fixed assets of the company present and future with other term lenders.

2.3 Other loans of Rs. 5816 thousands (P.Y. 5782 thousands) are secured against specific fixed assets of the company.

3. Unsecured Loans

Short term loans from banks amounting to Rs.8090 thousands (P.Y. 14986 thousands) are secured by irrevocable and unconditional personal guarantee of a Director.

4. Fixed Assets

During the year, the company has made addition to fixed assets of Rs 15477 thousand (Previous Year Rs 100107 thousands). Fixed Assets installed & put to use have been certified by the management.

5. Investments

5.1 During the year, the company invested Rs. 885100 thousand in equity share capital of Silver Resort Hotel India (P) Limited, a subsidiary company of the company setting up five star hotel at Delhi. These equity shares are pledged to IFCI Limited as security for corporate loan availed by the company.

5.2 During the year, the company invested Rs.500 thousand in equity share capital of Golden Joy Hotel (P) Limited, a wholly owned subsidiary company of the company setting up minimum three star hotel at Amritsar.

5.3 Investment (at cost) amounting to Rs. 1313923 thousands (P.Y. 428323 thousands) comprises of - A) (Quoted shares)-1250 (P.Y. 1250) Equity Shares of Rs. 10/- each fully paid up of ICICI Bank Limited -Rs. 122 thousands (P.Y. 122 thousands), B) (Unquoted shares)-(a) Subsidiary Companies-(i) 50000 (P.Y. 50000) equity shares of Rs. 10/- each fully paid up of Blue Coast Hospitality Limited-Rs. 500 thousands (P.Y. Rs. 500 thousands) (ii) 50000 (P.Y. nil) equity shares of Rs. 10/- each fully paid up of Golden Joy Hotel (P) Limited-Rs. 500 thousands (P.Y. nil) (iii) 88510000 (P.Y. nil) equity shares of Rs. 10/- each fully paid up of Silver Resort Hotel India (P) Limited-Rs. 885100 thousands (P.Y. nil) (b) Others (i) 15600 (P.Y. 15600) equity shares of Rs. 10/- each fully paid up of Joy Hotel and Resorts Pvt. Limited-Rs. 427500 thousands (P.Y. 427500 thousands) (ii) 4020 (P.Y. 4020) equity shares of Rs. 50/- each fully paid up of Dombivli Nagari Sahakari Bank Limited-Rs. 201 thousands (P.Y. 201 thousands).

5.4 Aggregate amount of investments-A) Quoted-Rs. 122 thousands (P.Y. 122 thousands) -Market value Rs. 1191 thousands (P.Y. 416 thousands). B) Unquoted-Rs. 1313801 thousands (P.Y. 428201 thousands)

6. Stock of material, stores and supplies has been taken, valued and certified by the management.

7. The bank balance in deposit accounts Rs 14072 thousands (previous year Rs.1392 thousands) are in the form of Fixed Deposit Receipts and are pledged with the banks as margin money for the issuance of Bank Guarantee.

8. Other Loans and advances includes Rs 8721 thousands (P.Y. 136 thousands) due from subsidiary companies (maximum balance outstanding during the year Rs 8721 thousands).

9. Balances with Sundry Creditors, Advance from Customers, others payable, Sundry Debtors and Loans & Advances are subject to confirmation.

10. Contingent liabilities not provided for :

(Rs. In thousands)

	31.3.2010	31.3.2009
a. Bank Guarantee	54927	3235
b. Other Contingent Liabilities	4000	4000
c. Dividend on cumulative preference shares -10% cumulative redeemable pref .shares(8 years dividend) -1% cumulative redeemable pref . shares(6 years dividend)	329170	283670
	388097	290905

11. In the opinion of Directors:-

- The current assets, loans and advances have a value at least equal to the amount at which these are stated if realized in the ordinary course of business.
- The provision for depreciation and for all known liabilities is adequate and considered reasonable.

12. Auditors' Remuneration:

(Rs. In thousands)

	31.3.2010	31.3.2009
a. Audit fee	1260	1260
b. Tax audit fee	280	280
c. Taxation matters	320	320
d. Certification fee	123	94
e. Service Tax	192	181
Total	2175	2135

13. Directors' Remuneration :

(Rs.in thousands)

	31.3.2010	31.3.2009
a. - Salary - Monetary value of perquisites	9000 — 9000	9000 680 9680
b. Directors Sitting fees	215	250
Total	9215	9930
c. Calculation of Profit in accordance with section 349 of the Companies Act, 1956. Profit before tax as per Profit & Loss Account Add : Directors remuneration as above Bad Debts Written off Loss on sale of fixed assets	66889 9000 — 1338 77227	31834 9680 — 5452 46966
10% of the above	7723	4697

Note-The remuneration paid to directors is as allowed under Schedule XIII of the Companies Act,1956.

- 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.
- As required by Accounting Standard - 22 "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India, provision for deferred tax liability has been made. The major components of deferred tax liability/(assets) are given below-

	Deferred Tax Liability/ (assets) as at 1.4.2009	Current year change	Deferred tax liability/ (assets) as at 31.3.2010
Depreciation-Timing difference	211057	16197	227254
Unabsorbed depreciation/ losses	(59586)	6318	(53268)
Net Deferred tax liability/(Assets)	151471	22515	173986

16. Expenditure incurred in foreign currency :

(Rs. In thousands)

	31.03.2010	31.03.2009
a) Capital Good	1056	10187
b) Other matters	95907	60274

17. Earnings in foreign currency: 301224 Thousands (previous period 336699 thousands)

18. Income tax deducted at source

	31.03.2010	31.03.2009
a. Interest Income	96	12
b. Other Income	5394	10598
Total	5490	10610

19. Corresponding figures of the previous year have been regrouped, rearranged and readjusted to conform with this year's grouping wherever necessary.

20. Earning per share :

	Year ended 31.03.2010	Year ended 31.03.2009
Profit/(Loss) after tax as per profit and Loss account (Rs. in thousands)	68739	20384
Weighted average number of equity shares outstanding	8864962	7569301
Basic and diluted earnings per share in rupees (face value- Rs .10 per share)	7.75	2.69
Basic and diluted earnings per share in rupees (face value-Rs.10 per share) after considering preference dividend	2.62	-3.32

21. Additional information pursuant to the provisions of Paragraphs 3, 4C & 4D of Part II of Schedule VI to the Companies Act, 1956 :

Value and Quantities details of Turnover, Consumption, Purchase & Stock :

The Company has been exempted vide order no. 46/14/2010-CL-III dated 09.03.2010 of Ministry of Company Affairs, Government of India u/s 211 (4) of the Companies Act, 1956 from disclosure of quantitative details of turnover, opening and closing stock, purchases, production and consumption of raw materials for the financial year ending up to March 31st, 2012.

22. In the opinion of management, there is no impairment condition exists as on 31st March, 2010. Hence no provision is required in the accounts for the current period ending.

23. Related party disclosure as required under Accounting Standard (AS-18) on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India is given below:

Accountants or matters given below:

a.	Related parties	Name	
i.	Subsidiaries Company	Blue Coast Hospitality Limited Golden Joy Hotel Pvt. Ltd Silver Resort Hotel India Pvt Ltd	
ii.	Associate Company	Joy Hotel and Resorts Pvt. Limited	
iii.	Key management Personnel	- Mr.P.L.Suri,Chairman & Managing Director - Mrs. Sunita Suri, Executive Director - Mrs. Mamta Suri, Director - Mr. B.K. Goswami, Director - Mr. K.S. Mehta, Director - Dr. V. M. Kaul,Director - Mr. Ashoka Kinni,Director - Mr. Shivendra Tomar,Nominee Director (w.e.f. 26.7.2010)	
iv.	Relatives of Key Management personnel with whom the company has transactions during the year.	Nil	
v.	Entities over which management personnel/relatives of key management personnel are able to exercise significant influence in which the company has transactions	Nil	
b.	Transaction with Related parties	Nature of transaction	Rs. in thousands
i	Subsidiaries	- Loans given - Purchase of investments - Closing balance as on 31.3.10 (Payable) /Recoverable	8585 885600 8721
ii	Key Management Personnel	- Remuneration/Perquisites - Directors' Sitting Fees - Closing balance as on 31.3.10 (Payable) /Recoverable	9000 215 (19536)

24. INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Balance Sheet Abstract And Company's General Business Profile

I. Registration Details :

Registration No.

003109

State Code

GA

Balance Sheet Date

31

03

10

Date

Month

Year

II. Capital raised/advance subscription raised during the period (Amount in Rs. thousands)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of mobilisation and deployment of funds (Amount in Rs. thousands)

Total Liabilities

3465440

Total Assets

3465440

Sources of Funds

Paid up Capital

903650

Reserves & Surplus

796868

Secured Loan

1582845

Unsecured Loan

8090

Deferred Tax Liability

173987

Application of Funds

Net Fixed Assets

1957557

Investments

1313928

Net Current Assets

193505

Deferred Tax Asset

N I L

Accumulated Losses

N I L

Misc. Expenditure

455

IV. Performance of Company (Amount in Rs. thousands)

Turnover

885467

Total Expenditure

818578

Profit/Loss Before Tax

66889

Profit/Loss After Tax

68739

Earning/(Loss) per share in Rs

+2.62

Dividend rate %

N I L

V. Generic Names of Three Principal Products/ Services of Company (As per monetary terms)

Product Description

Item Code No. (ITC Code)

Hotel & Resorts

N.A.

SCHEDULE I TO XV FORM AN INTEGRAL PART OF ACCOUNTS AND HAVE BEEN DULY AUTHENTICATED.

Per our separate report of even date
For M.KAMAL MAHAJAN AND CO.
Chartered Accountants
(Firm Regn No. 06855N)

For and on behalf of the Board

S K Goyal
Partner
M.No. 084613

P. L. Suri
Chairman & Managing Director

Sunita Suri
Executive Director

B. K. Goswami
Director

Place : New Delhi
Date : 28th August, 2010

Suresh Gupta
Asstt. Vice President (Fin. & Acts)

Darpan Batra
AGM - Corporate Affairs &
Company Secretary

Cash Flow Statement

For the year ended 31st March, 2010

	(Rs. in thousand)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	66889	31835
Adjustments for:		
1 Preliminary expenses written off	114	473
2 Depreciation for the year	88519	90252
3 Loss on sale of Fixed Assets	1338	5452
	<u>89971</u>	<u>96177</u>
Operating profit before working capital changes	156859	128012
Adjustment for working capital changes:		
1 Inventory	(3670)	(10319)
2 Debtors	6966	44306
3 Advances	(8817)	(11528)
4 Creditors & other liabilities	(68710)	13108
	<u>(74232)</u>	<u>35567</u>
Income Tax	(11368)	(3607)
Fringe Benefit Tax	—	(630)
Excess Income Tax provision of earlier years	24365	—
	<u>(61235)</u>	<u>31330</u>
Net cash from operating activities	<u>95625</u>	<u>159342</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets(net)	(14173)	(98470)
Exchange fluctuation of current year capitalised to fixed assets	19855	(24520)
Sale/(Purchase) of investments	(885600)	(427502)
Net cash used in investing activities	<u>(879918)</u>	<u>(550492)</u>
C CASH FLOW FINANCING ACTIVITIES		
Proceeds from issuance of share capital	—	427750
Proceeds/repayment of borrowings	768029	(70633)
Others	(568)	—
Net cash used in financing activities	<u>767461</u>	<u>357117</u>
Net increase /(decrease) in cash and cash equivalents(A+B+C)	(16833)	(34033)
Opening balance of cash and cash equivalents	<u>75808</u>	<u>109841</u>
Closing balance of cash and cash equivalents	<u>58975</u>	<u>75808</u>

Per our separate report of even date
For M.KAMAL MAHAJAN AND CO.
Chartered Accountants
(Firm Regn No. 06855N)

For and on behalf of the Board

S K Goyal
Partner
M.No. 084613

P. L. Suri
Chairman & Managing Director

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B. K. Goswami
Director

Place : New Delhi
Date : 28th August, 2010

Suresh Gupta
Asstt. Vice President (Fin. & Acts)

Darpan Batra
AGM - Corporate Affairs &
Company Secretary

Auditors' Report on Consolidated Financial Statements

To The Board of Directors

Blue Coast Hotels Limited

(Blue Coast Hotels and Resorts Limited upto 28.10.2009)

We have audited the attached consolidated balance sheet of Blue Coast Hotels Limited (Blue Coast Hotels and Resorts Limited upto 28.10.2009) and its subsidiaries (as per list appearing in Note No. 1(a) of Schedule XVI), collectively referred to as "Blue Coast Group" as at 31st March, 2010 and the consolidated profit and loss account and also the consolidated cash flow statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the "Blue Coast Group" management and have been prepared by the management on the basis of the separate financial statements and other financial information regarding Blue Coast Group. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of Silver Resort Hotel India Private Limited, a subsidiary of the company whose financial statements reflect total assets of Rs 1735100 thousands as at 31st March 2010 and cash flow amounting to Rs. 74084 thousands for the period then ending. The first accounts of the subsidiary will close on 31st March 2011 and the accounts for the period ended 31st March 2010 of this subsidiary are prepared only for preparing consolidated financial statements. These financial statements have not been audited by us in view of which our opinion on consolidated financial statements is limited to the financial statements of the parent company and its two subsidiary companies only.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirement of accounting standards on consolidated financial statements i.e. 'AS-21' issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of the parent company and its two subsidiary companies and unaudited financial statements of another subsidiary company included in the consolidated financial statements.

On the basis of information and explanations given to us and on the consideration of the separate audit reports of the financial statements of the parent company and its two subsidiary companies and on the other financial information of the components, we are of the opinion that the said consolidated financial statements, read together with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) in the case of the consolidated balance sheet, of the state of affairs of the company and its subsidiaries as at 31st March, 2010;
- b) in the case of the consolidated profit and loss account, of the consolidated results of operations of the company and its subsidiaries for the period ended on that date; and
- c) in the case of the consolidated cash flow statement, of the consolidated cash flows of the company and its subsidiaries for the period ended on that date.

For M Kamal Mahajan And Co.
Chartered Accountants
(Firm Regn. No. 06855N)

Place : New Delhi
Date : 28th August, 2010

(S K Goyal)
(Partner)
M. No. 084613

Consolidated Balance Sheet
As at 31st March 2010

		(Rs. in thousand)	
	Schedules	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	I	903650	903650
Reserves & Surplus	II	796868	728129
		<u>1700519</u>	<u>1631780</u>
LOAN FUNDS			
Secured Loans	III	1582845	807920
Unsecured Loans	IV	8090	14986
		<u>1590935</u>	<u>822906</u>
MINORITY INTEREST	V	850000	-
DEFERRED TAX LIABILITY		173987	151471
	TOTAL	<u>4315440</u>	<u>2606157</u>
APPLICATION OF FUNDS			
FIXED ASSETS	VI		
Gross Block		5236899	2528720
Less : Depreciation		<u>547416</u>	<u>475627</u>
Net Block		4689483	2053093
Preoperative Expenses		99971	542
Capital work in progress		<u>98676</u>	<u>-</u>
		<u>4888130</u>	<u>2053635</u>
INVESTMENTS		427823	427823
CURRENT ASSETS, LOANS & ADVANCES			
Current Assets	VII		
Inventories		139577	135907
Sundry Debtors		34293	41258
Cash & Bank Balances		133257	75925
Loans & Advances	VIII	<u>222394</u>	<u>107989</u>
		<u>529521</u>	<u>361079</u>
Less : CURRENT LIABILITIES & PROVISIONS	IX		
Current Liabilities		1523455	196124
Provisions		<u>19878</u>	<u>40299</u>
		<u>1543333</u>	<u>236423</u>
NET CURRENT ASSETS		-1013812	124656
MISCELLANEOUS EXPENDITURE			
(To the extent not written off / adjusted)		13299	43
	TOTAL	<u>4315440</u>	<u>2606157</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	XVI		

Per our separate report of even date
For M.KAMAL MAHAJAN AND CO.
Chartered Accountants
(Firm Regn No. 06855N)

For and on behalf of the Board

S K Goyal
Partner
M.No. 084613

P. L. Suri
Chairman & Managing Director

Sunita Suri
Executive Director

B. K. Goswami
Director

Place : New Delhi
Date : 28th August, 2010

Suresh Gupta
Asstt. Vice President (Fin. & Acts)

Darpan Batra
AGM - Corporate Affairs &
Company Secretary

Consolidated Profit and Loss Account

For the Year Ended 31st March 2010

		(Rs. in thousand)	
	Schedules	Year Ended 31.03.2010	Year Ended 31.03.2009
INCOME			
Operational Revenue	X	871873	764282
Other Income	XI	13594	6295
		<u>885467</u>	<u>770577</u>
EXPENDITURE			
Consumption of Materials, Stores & Supplies	XII	162809	149167
Payment to and Provisions for Employees	XIII	151567	157058
Operating and General Expenses	XIV	279570	263097
		<u>593946</u>	<u>569322</u>
Profit before Depreciation and Interest		291522	201256
Depreciation		88519	90252
Interest and Finance Charges	XV	136114	79169
Profit before Tax		66889	31835
- Curent Tax		11368	3607
- MAT credit entitlement		(11368)	(3607)
- Deferred Tax Liability / (Asset)		22515	10822
- Fringe Benefit Tax		-	630
- Income Tax provision in earlier years written back		(24365)	-
Profit after Tax but before Minority Interest		<u>68739</u>	<u>20384</u>
Share of Minority Interest in Profit		-	-
Profit after Tax & Minority Interest		68739	20384
Balance as per last Balance Sheet		68646	248262
Transfer to General Reserve		-	200000
Balance carried to Balance Sheet		<u>137385</u>	<u>68646</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	XVI		

Per our separate report of even date
For M.KAMAL MAHAJAN AND CO.
Chartered Accountants
(Firm Regn No. 06855N)

For and on behalf of the Board

S K Goyal
Partner
M.No. 084613

P. L. Suri
Chairman & Managing Director

Sunita Suri
Executive Director

B. K. Goswami
Director

Place : New Delhi
Date : 28th August, 2010

Suresh Gupta
Asstt. Vice President (Fin. & Acts)

Darpan Batra
AGM - Corporate Affairs &
Company Secretary

Schedules forming part of the Consolidated Balance Sheet

As at 31st March 2010

Annual Report 2009-10

(Rs. in thousand)		
	As at 31.03.2010	As at 31.03.2009
I SHARE CAPITAL		
Authorised		
- 265,00,000 Equity Shares(Previous year 185,00,000) of Rs. 10/- each	265000	185000
- 81,50,000 Preference Shares of Rs. 100/- each	815000	815000
	<u>1080000</u>	<u>1000000</u>
Issued, Subscribed and paid up		
- 88,64,962 Equity Shares of Rs.10/- each fully paid up	88650	88650
- 81,50,000 Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up	815000	815000
	<u>903650</u>	<u>903650</u>
II RESERVES AND SURPLUS		
Securities Premium Account	466815	466815
General Reserve	192668	192668
Surplus as per Profit & Loss Account	137385	68646
	<u>796868</u>	<u>728129</u>
III SECURED LOANS		
Term loan from banks/Financial Institutions	1500000	724900
Working Capital Loans from banks	67249	72375
Other Loans	5816	5782
Interest accrued and due	9780	4863
	<u>1582845</u>	<u>807920</u>
IV UNSECURED LOANS		
Short Term Loans from banks	8090	14986
	<u>8090</u>	<u>14986</u>
V MINORITY INTEREST		
Share Capital	850000	-
Share in profit/ (loss)	-	-
	<u>850000</u>	<u>-</u>

VI. FIXED ASSETS

(Rs. in thousand)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Addition	Sale/Adj	As at 31.3.2010	As at 01.04.2009	For the year	Adjustment	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land and Site development	196913	2731878	-	2928791	-	-	-	-	2928791	196913
Building										
- Hotel	1597610	309	16144	1581775	137589	25870	-	163459	1418317	1460021
- Others	2042	-	-	2042	451	33	-	484	1558	1591
Plant & Machinery	400028	2924	3711	399151	189828	35730	-	225558	173594	210200
Operating Equipments	14695	2838	-	17533	8658	1482	-	10140	7394	6037
Electricals Installation	75039	2232	55	77215	17726	3635	12	21349	55866	57313
Vehicles	25596	4652	2856	27392	5518	2484	491	7510	19882	20078
Furniture-Fixture- Hotel	163063	1322	249	164136	75387	14183	107	89464	74672	87675
Furniture-Fixture- Others	10360	73	-	10433	5421	660	-	6081	4352	4939
Office Equipment	5133	117	-	5250	2948	369	-	3317	1933	2184
Computer Software	8069	581	7107	1543	7188	311	7107	392	1151	881
Computer Equipment	30173	479	9013	21639	24912	3764	9013	19663	1976	5261
TOTAL	2528720	2747403	39135	5236899	475627	88519	16730	547416	4689483	2053093
Preoperative Expenses	542	99429	-	99971	-	-	-	-	99971	542
Capital Work in progress	-	98676	-	98676	-	-	-	-	98676	-
PREVIOUS YEAR	2442346	100107	13733	2528720	392308	90252	6932	475627	2053093	-

(Rs. in thousand)

	As at 31.03.2010	As at 31.03.2009
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VII. CURRENT ASSETS

Inventories (As certified by Management)

- Stock of Stores and Operating Supplies

131709 128571

- Food & Beverages

7868 7336

139577 139577 135907 135907

Sundry Debtors

- Exceeding six months

1279 1915

- Others

33014 39342

34293 41258

Less : Provisional for Doubtful Debts

- -

34293 34293 41258 41258

Cash & Bank Balances

- Cash on hand

1916 1253

- Balance With Scheduled Banks

- In Current Accounts

108269 73280

- Deposit Account

23072 1392

131341 131341 74672 74672

133257 75925

(Rs. in thousand)		
	As at 31.03.2010	As at 31.03.2009
VIII LOANS AND ADVANCES		
(Unsecured, unconfirmed but considered good)		
Advances recoverable in cash or in kind or for value to be received	29248	25518
Other Loans and Advances	105288	4386
Advance income tax paid	25338	27413
MAT credit entitlement	56670	45302
Commission receivable	677	767
Interest accrued but not due	832	312
Security Deposit	4341	4292
	<u>222394</u>	<u>107989</u>
IX CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors for:		
- Capital Expenditure	5796	8830
- Due to small and micro enterprises	-	-
- Others	1408880	66077
Others Payable	86206	87928
Advance from Customers	17178	27894
Earnest Money Deposit	5395	5395
TOTAL	<u>1523455</u>	<u>196124</u>
B. Provisions		
Taxation	19878	40299
	<u>19878</u>	<u>40299</u>
TOTAL(A+B)	<u>1543334</u>	<u>236423</u>
X Operational Revenue		
Accommodation	564576	514359
Food & Beverages	211829	168815
Wines & Liquor	37382	29195
Commission on sale at Shops	5974	6192
Transportation	9100	7683
Spa/ Fitness Centre	35710	30428
Other Departments	7303	7610
	<u>871873</u>	<u>764282</u>
XI Other Income		
Interest income	961	166
Misc Income	11165	4927
Exchange fluctuation	1468	1202
	<u>13594</u>	<u>6295</u>

Schedules forming part of the Consolidated Profit and Loss Account

For the year ended 31st March, 2010

				(Rs.in thousand)	
				Year Ended 31.03.2010	Year Ended 31.03.2009
XII	Consumption of Material, Stores & Supplies				
		Opening Stock	Purchases	Closing Stock	
	Provisions & Beverages	2666	56529	3113	
	Wine & Liquor	4669	16880	4755	
	Stores & Supplies	129946	91696	131709	
		<u>137281</u>	<u>165105</u>	<u>139577</u>	
				162809	149167
XIII	Payment to and Provision for Employees				
	Salaries, Wages and bonus			116929	121240
	Provident fund and other funds			6511	7251
	Gratuity, L.T.A			3995	6266
	Workmen and staff welfare			18011	16514
	Recruitment & Training			6121	5786
				<u>151567</u>	<u>157058</u>
XIV	Operating & General Expenses				
	Telephone			3428	3710
	Electricity & Fuel Expenses			45668	50653
	Repair & Maintenance			28806	33024
	Insurance			2414	3371
	Rent			3395	3192
	Travelling			8033	8777
	Legal & Professional			31682	26250
	Secretarial & Roc Exp			258	311
	Printing & Stationery			3666	3451
	Management fees			62205	49432
	Sales & Marketing Exp			63385	51671
	Misc. Expense Written Off			114	473
	Loss on sale of Fixed Assets			1338	5452
	Rates & Taxes			449	379
	Prior Period Charges			39	887
	Misc Exp.			24689	22064
				<u>279570</u>	<u>263097</u>
XV	Interest & Finance Charges				
	Interest - Bank/Financial Institutions			118917	77135
	Financial/bank Charges			17197	2034
				<u>136114</u>	<u>79169</u>

Significant Accounting Policies and Notes on Accounts

For the year ended 31st March, 2010

I. SIGNIFICANT ACCOUNTING POLICIES

a) Basis for preparation of accounts

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

The consolidated financial statements consist of financial statements of Blue Coast Hotels Limited (Blue Coast Hotels and Resorts Limited upto 28.10.2009) (parent company) and its three subsidiaries namely Blue Coast Hospitality Limited, Golden Joy Hotel Private Limited and Silver Resort Hotel India Private Limited.

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

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

Subsidiary Company	Country of Incorporation	Percentage of Holding (%)
Blue Coast Hospitality Ltd.	India	100
Golden Joy Hotel Private Ltd.	India	100
Silver Resort Hotel India Private Ltd.	India	51

b) Fixed Assets

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

c) Depreciation

Depreciation on fixed assets is provided on straight line method in accordance with Section 205(2)(b) of the Companies Act, 1956 at the rates which are not lower than the rates specified in Schedule XIV to the Companies Act, 1956.

d) Investments

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

e) Revenue recognition

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

f) Share Issue Expenses

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

g) Foreign Currency Transactions

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

Monetary foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to /deducted from the cost of the asset and depreciated over the balance life of the asset.

All other exchange differences are dealt with in the profit and loss account.

h) Inventory

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

i) Contingent Liabilities

These are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts in respect of those liabilities which are likely to materialize after the year end till the finalization of accounts and have material effect on the position stated in the Balance Sheet.

j) Impairment of assets

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

k) Amortization of Miscellaneous Expenditure

Preliminary Expenses are written off over a period of five to ten years.

l) Taxation

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

m) Employee Retirement benefits

The contribution to the Provident Fund and Employees State Insurance under the defined contribution plans are charged to revenue. Gratuity and Leave encashment are accounted for on accrual basis.

II. NOTES ON ACCOUNTS

1. Share Capital

1.1 Preference share capital amounting to Rs. 815000 thousands consists 41,50,000, 10 % cumulative redeemable preference shares of Rs. 100/- each redeemable at par in the year 2017-18 and 40,00,000, 1% cumulative redeemable preference share of Rs. 100/- each redeemable at par in the year 2019-20. All these shares are participating preference shares and are subject to put and call option exercisable at the end of 3rd, 6th, 9th and

12th year of allotment. In terms of the provisions contained in section 87(2)(b)(i) of the Companies Act, 1956 members holding these shares are entitled to vote on every resolution placed before the company at any meeting. The shareholders, in their last Annual General Meeting, held on 30th September 2009 have approved the conversion of 40,00,000, 1% cumulative redeemable preference share of Rs. 100/- each into equity shares of Rs. 10/- each in accordance with the applicable guidelines, rules and regulations. The company is in the process of conversion of preference share capital into equity share capital.

2. Secured Loans

- 2.1 During the year, the company has repaid to existing secured term lenders of Rs. 724900 thousands in full by obtaining fresh Corporate Loan of Rs 150000 thousand from IFCI Ltd and utilized the balance for making investment in new five star hotel project. The new loan is secured by first mortgage on hotel property of the company at Goa. The Loan is further secured by personal guarantee of executive directors.
- 2.2 Working Capital loans from banks amounting to Rs. 67249 thousands (P.Y. 72375 thousands) are secured by way of hypothecation of raw materials, semi-finished goods, finished goods, stores, book debts and other current assets of the company in addition to second pari-passu charge over the entire fixed assets of the company present and future with other term lenders.
- 2.3 Other loans of Rs. 5816 thousands (P.Y. 5782 thousands) are secured against specific fixed assets of the company.

3. Unsecured Loans

Short term loans from banks amounting to Rs.8090 thousands (P.Y. 14986 thousands) are secured by irrevocable and unconditional personal guarantee of a Director.

4. Fixed Assets

During the year, the company has made addition to fixed assets of Rs 2747403 thousand (Previous Year Rs 100107 thousands). Fixed Assets installed & put to use have been certified by the management.

5. Investments

- 5.1 Investment(at cost) amounting to Rs.427823 thousands(P.Y. 427823 thousands) comprises of A) (Quoted shares)-1250 (P.Y. 1250) Equity Shares of Rs. 10/- each fully paid up of ICICI Bank Limited -Rs. 122 thousands(P.Y. 122 thousands), B) (Unquoted shares)-(a) 15600(P.Y. 15600) equity shares of Rs. 10/- each fully paid up of Joy Hotel and Resorts Pvt. Limited-(i) As Associate-Rs. 156 thousands-(P.Y. Rs. 156 thousands) (ii) As Goodwill-Rs. 427344 thousands (P.Y. Rs. 427344 thousands) (b) 4020(P.Y. 4020) equity shares of Rs. 50/- each fully paid up of Dombivli Nagari Sahakari Bank Limited-Rs. 201 thousands(P.Y. 201 thousands).

- 5.2 Aggregate amount of investments-A) Quoted-Rs. 122 thousands (P.Y. 122 thousands) -Market value Rs. 1191 thousands (P.Y. 416 thousands). B) Unquoted-Rs. 427701 thousands (P.Y. 427701 thousands)

6. Stock of material, stores and supplies has been taken, valued and certified by the management.
7. The bank balance in deposit accounts Rs 23072 thousands (previous year Rs.1392 thousands) are in the form of Fixed Deposit Receipts and are pledged with the banks as margin money for the issuance of Bank Guarantee.

8. Contingent liabilities not provided for :

(Rs.in thousands)

		31.3.2010	31.03.2009
a.	Bank Guarantee	54927	3235
b.	Capital Account	25720	Nil
c.	Other Contingent Liabilities	4000	4000
d.	Dividend on cumulative preference shares	329170	283670
	-10% cumulative redeemable pref. shares(8 years dividend)		
	-1% cumulative redeemable pref. shares(6 years dividend)		
		413817	290905

9. In the opinion of Directors:-

- The current assets, loans and advances have a value at least equal to the amount at which these are stated if realized in the ordinary course of business.
- The provision for depreciation and for all known liabilities is adequate and considered reasonable.

10. Directors' Remuneration:

(Rs.in thousands)

	31.3.2010	31.3.2009
a. - Salary	9000	9000
- Monetary value of perquisites	-	680
	9000	9680
b. Directors Sitting fees	215	250
Total	9215	9930
c. Calculation of Profit in accordance with section 349 of the Companies Act, 1956.		
Profit before tax as per Profit & Loss Account	66889	31834
Add : Directors remuneration as above	9000	9680
Bad Debts Written off	-	-
Loss on sale of fixed assets	1338	5452
	77227	46966
10% of the above	7723	4697

Note-The remuneration paid to directors is as allowed under Schedule XIII of the Companies Act,1956.

11. As required by Accounting Standard - 22 "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India, provision for deferred tax liability has been made. The major components of deferred tax liability/(assets) are given below-

	Deferred Tax Liability/ (assets) as at 1.4.2009	Current year change	Deferred tax liability/ (assets) as at 31.3.2010
Depreciation-Timing difference	211057	16197	227254
Unabsorbed depreciation/ losses	(59586))	6318	(53268)
Net Deferred tax liability/(Assets)	151471	22515	173986

12. Earning per share:

	Year Ended 31.03.2010	Year Ended 31.03.2009
Profit/(Loss) after tax as per profit and Loss account (Rs. in thousands)	68739	20384
Weighted average number of equity shares outstanding	8864962	7569301
Basic and diluted earnings per share in rupees (face value- Rs .10 per share)	7.75	2.69
Basic and diluted earnings per share in rupees (face value-Rs.10 per share) after considering preference dividend	2.62	-3.32

13. In the opinion of management, there is no impairment condition exists as on 31st March,2010. Hence no provision is required in the accounts for the current period ending.
14. Related party disclosure as required under Accounting Standard (AS-18) on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India is given below:

a. Related parties	Name
i. <u>Subsidiary Companies</u>	
- Blue Coast Hospitality Limited	- Domestic Company
- Golden Joy Hotel Pvt. Ltd	- Domestic Company
- Silver Resort Hotel India Pvt Ltd	- Domestic Company
ii. Associate Company	Joy Hotel and Resorts Pvt. Limited
iii Key management Personnel	- Mr. P.L.Suri Chairman & Managing Director - Mrs. Sunita Suri, Executive Director - Mrs. Mamta Suri, Director - Mr. B.K. Goswami, Director - Mr. K.S. Mehta, Director - Dr. V. M. Kaul, Director

		- Mr. Ashoka Kinni, Director - Mr. Shivendra Tomar, Nominee Director (w.e.f. 26.7.2010) - Mr. Sachikanta Mishra, Nominee Director (w.e.f. 24.7.2010) - Mr. Varun Suri - Mrs. Shalu Suri - Mrs. Anju Suri
iv.	Relatives of Key Management personnel with whom the company has transactions during the year.	Nil
v.	Entities over which management personnel/relatives of key management personnel are able to exercise significant influence in which the company has transactions	Nil

b.	Transaction with Related parties	Nature of transaction	Rs in thousands
i	Associate Company	Nil	Nil
ii	Key Management Personnel	- Remuneration/Perquisites - Directors' Sitting Fees Closing balance as on 31.3.10 (Payable) /Recoverable	9000 215 (19536)
iii	Relatives of key management personnel	Nil	Nil
iv	Entities over which management personnel/relatives of key management personnel are able to exercise significant influence	Nil	Nil

15. INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Balance Sheet Abstract And Company's General Business Profile

I. Registration Details :

Registration No.

003109

State Code

GA

Balance Sheet Date

31

03

10

Date

Month

Year

II. Capital raised/advance subscription raised during the period (Amount in Rs. thousands)

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

III. Position of mobilisation and deployment of funds (Amount in Rs. thousands)

Total Liabilities

4315440

Total Assets

4315440

Sources of Funds

Paid up Capital

903650

Reserves & Surplus

796868

Secured Loan

1582845

Unsecured Loan

8090

Deferred Tax Liability

173987

Minority Interest

850000

Application of Funds

Net Fixed Assets

4888130

Investments

427828

Net Current Assets

-1013812

Deferred Tax Asset

NIL

Accumulated Loss

NIL

Misc. Expenditure

13299

IV. Performance of Company (Amount in Rs. thousands)

Turnover

885467

Total Expenditure

818578

Profit/Loss Before Tax

66889

Profit/Loss After Tax

68739

Earning/(Loss) per share in Rs

+2.62

Dividend rate %

NIL

V. Generic Names of Three Principal Products/ Services of Company (As per monetary terms)

Product Description

Item Code No. (ITC Code)

Hotel & Resorts

N.A.

SCHEDULE I TO XVI FORM AN INTEGRAL PART OF ACCOUNTS AND HAVE BEEN DULY AUTHENTICATED.

Per our separate report of even date
For M.KAMAL MAHAJAN AND CO.
Chartered Accountants
(Firm Regn No. 06855N)

For and on behalf of the Board

S K Goyal
Partner
M.No. 084613

P. L. Suri
Chairman & Managing Director

Sunita Suri
Executive Director

B. K. Goswami
Director

Place : New Delhi
Date : 28th August, 2010

Suresh Gupta
Asstt. Vice President (Fin. & Acts)

Darpan Batra
AGM - Corporate Affairs &
Company Secretary

Consolidated Cash Flow Statement

For the year ended 31st March, 2010

	(Rs. in thousand)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	66889	31835
Adjustments for:		
1 Preliminary expenses written off	114	473
2 Depreciation for the year	88519	90252
3 Loss on sale of Fixed Assets	1338	5452
	<u>89971</u>	<u>96177</u>
Operating profit before working capital changes	156859	128012
Adjustment for working capital changes:		
1 Inventory	(3670)	(10319)
2 Debtors	6965	44306
3 Advances	(103037)	(11424)
4 Creditors & other liabilities	1306911	13124
	<u>1207168</u>	<u>35687</u>
Income Tax	(11368)	(3607)
Fringe Benefit Tax	-	(630)
Excess Income Tax provision of earlier years	24365	-
	<u>1220165</u>	<u>31450</u>
Net cash from operating activities	<u>1377025</u>	<u>159461</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets(net)	(2746100)	(98502)
Exchange fluctuation of current year capitalised to fixed assets	19855	(24520)
Preoperative expenses	(99429)	-
Capital work in progress	(98676)	-
Sale/(Purchase) of investments	-	(427500)
Net cash used in investing activities	<u>(2924350)</u>	<u>(550522)</u>
C CASH FLOW FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	427750
Proceeds from issuance of share capital to minority	850000	-
Proceeds/repayment of borrowings	768029	(70633)
Others	(13372)	-
Net cash used in financing activities	<u>1604657</u>	<u>357117</u>
Net increase /(decrease) in cash and cash equivalents(A+B+C)	57331	(33944)
Opening balance of cash and cash equivalents	75925	109869
Closing balance of cash and cash equivalents	<u>133257</u>	<u>75925</u>

Per our separate report of even date
For M.KAMAL MAHAJAN AND CO.
Chartered Accountants
(Firm Regn No. 06855N)

For and on behalf of the Board

S K Goyal
Partner
M.No. 084613

P. L. Suri
Chairman & Managing Director

Sunita Suri
Executive Director

B. K. Goswami
Director

Place : New Delhi
Date : 28th August, 2010

Suresh Gupta
Asstt. Vice President (Fin. & Acts)

Darpan Batra
AGM - Corporate Affairs &
Company Secretary

Directors' Report

THE MEMBERS,
Blue Coast Hospitality Limited

Your Directors have pleasure in presenting the 3rd Annual Report of the Company for the year ended 31st March 2010 comprising of the Balance Sheet as at 31st March 2010 and the Statement of Preoperative expenses for the year ended on that date.

1. OPERATIONS

The Company has not started the commercial operations till date of the close of the financial year ending 31st March, 2010 and hence no profit & Loss A/c has been drawn. However, during the period under report the Company has incurred pre-operative expenses of Rs. 5.62 lakhs (previous year Rs. 5.42 lakhs).

2. PUBLIC DEPOSITS

During the year under report your Company has not accepted or renewed any public deposit and hence no amount of principal or interest was outstanding as of the Balance Sheet Date.

3. BOARD OF DIRECTORS

The Board recommends the re-appointment of Mr. Varun Suri who retires by rotation as Director of the Company and being eligible, offers himself for re-appointment.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors hereby confirm:

- that in the preparation of the annual accounts for the financial year ended 31st March, 2010 the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that they have prepared the annual accounts on a going concern basis.

5. AUDITORS

M/s M Kamal Mahajan And Co., Chartered Accountants, the Auditors of the Company will retire on the conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

Observations made by the Auditors in their report read with the relative notes on accounts are self explanatory.

6. PARTICULARS OF EMPLOYEES

The Company has not employed any person covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended upto date during the year.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

As your Company has not started any business activity, the particulars relating to Conservation of Energy and Technology Absorption as required u/s 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 2(A) & (B), 1998 are not applicable. Further the Company has neither earned nor used any foreign exchange during the year.

For and on behalf of the Board

New Delhi
28th August, 2010

P.L. Suri	Varun Suri
Director	Director

Auditors' Report

To the Members of Blue Coast Hospitality Limited

1. We have audited the attached balance sheet of M/S. BLUE COAST HOSPITALITY LIMITED as at 31st March 2010, the Statement of Preoperative Expenses and the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have 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 appears from our examination of those books
 - c) The balance sheet, and statement of preoperative expenses and cash flow statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the balance sheet, the statement of preoperative expenses and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the balance sheet, of the state of affairs of the company as at 31st March 2010;
- ii. in the case of the statement of preoperative expenses of the expenses incurred during the period ended on that date; and
- iii. in the case of cash flow statement, of the cash flows for the period ended on that date.

For M Kamal Mahajan And Co.
Chartered Accountants
(Firm Regn. No. 06855N)

Place : New Delhi
Dated : 28th August, 2010

S. K. Goyal
(Partner)
M No. 084613

Annexure to Auditors' Report

Referred to in paragraph 3 of our report of even date to the members of
BLUE COAST HOSPITALITY LIMITED - Period ending 31.3.2010

- (i) a) The company has no fixed assets.
 - b) Not applicable in view of (i)(a) above.
 - c) Not applicable in view of (i)(a) above
- (ii) The company does not have any inventory, hence provisions of clause (ii) of the Order are not applicable to the company.
- (iii) a) As explained to us, the company has not granted any secured/unsecured loans to companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
 - b) Not applicable in view of iii (a) above.
 - c) Not applicable in view of iii (a) above.
 - d) Not applicable in view of iii (a) above.
 - e) As explained to us, the company has not taken any loans, secured or unsecured from the companies, firms and persons covered in the Register maintained under Section 301 of the Companies Act, 1956.
 - f) Not applicable in view of iii (e) above.
 - g) Not applicable in view of iii (e) above.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets. During the course of our audit, no major weakness has been noticed in the internal controls system.
- v. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that no contracts or arrangements referred to in section 301 of the act have been entered in to by the company during the period.
 - b) Not applicable in view of v(a) above.
- vi. The company has not accepted any deposits hence provisions of clause (vi) of the Order are not applicable to the company.
- vii. As the company has not started business operations or other activities, as explained to us, no internal audit system is required till start of any activity.
- viii. As explained to us, the Central Government has not prescribed any cost records under Section 209(1) (d) of the Companies Act, 1956.
- ix. a) According to the records of the company, the company in general, is regular in depositing with appropriate authorities all undisputed statutory dues applicable to it.
 - b) According to the information and explanations given to us and on the basis of our verification of books of accounts of the company, no amounts payable in respect of Income-tax, Sales-tax, Wealth tax, Service-tax Customs duty, Excise duty, cess were outstanding, as at 31st March, 2010 due to any dispute.
- x. As the company has not been registered for a period of five years or more, this clause is not applicable to the company.
- xi. The company has not taken any loans from financial institutions.
- xii. Based on our examination of documents and records, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion the company is not a chit fund/nidhi/mutual benefit fund/societies and hence provisions of clause xiii are not applicable to it.

- xiv. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments hence provisions of this clause are not applicable to it.
- xv. Based on our examination of the records and as explained to us, we are of the opinion that the company has not given any guarantee.
- xvi. The company has not raised any term loans during the year under audit.
- xvii. The company has not raised any funds on short term basis during the year under audit.
- xviii. During the year the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix. During the period covered by our audit report, the company has not issued any debentures hence provisions of this clause are not applicable to it.
- xx. During the period covered by our audit report, the company has not raised any money by way of public issue.
- xxi. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For M Kamal Mahajan And Co.
Chartered Accountants
(Firm Regn. No. 06855N)

Place : New Delhi
Dated : 28th August, 2010

S. K. Goyal
(Partner)
M No. 084613

Balance Sheet

As at 31st March 2010

		(Rs. in thousand)	
	Schedules	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	500	500
		<u>500</u>	<u>500</u>
APPLICATION OF FUNDS			
Capital Work in Progress			
- Pre-operative Expenses		562	542
		<u>562</u>	<u>542</u>
CURRENT ASSETS, LOANS AND ADVANCES			
Current Assets	2	117	117
Loan & Advances		-	-
		<u>117</u>	<u>117</u>
Less : CURRENT LIABILITIES & PROVISIONS	3		
Current Liabilities		220	200
Provisions		-	-
		<u>220</u>	<u>200</u>
NET CURRENT ASSETS		(103)	(83)
MISCELLANEOUS EXPENDITURE		41	41
(To the extent not written off or adjusted)			
		<u>500</u>	<u>500</u>
Significant Accounting Policies and Notes on Accounts	4		
As per our separate report of even date For M.KAMAL MAHAJAN AND CO. Chartered Accountants (Firm Regn. No.06855N)		For and on behalf of the Board	
S. K. Goyal Partner M.No. 084613	P. L. Suri Director	Varun Suri Director	
Place : New Delhi Date : 28 th August, 2010			



Statement of Pre Operative Expenses

For The Year Ended 31st March, 2010

	(Rs. in thousand)	
PARTICULARS	Year Ended 31.03.2010	Period Ended 31.03.2009
Opening Balance	542	512
Filing Fees	1	4
Professional Charges	-	-
Audit Fees	19	19
General Expenses	-	7
TOTAL	562	542

As per our separate report of even date
For M.KAMAL MAHAJAN AND CO.
Chartered Accountants
(Firm Regn. No.06855N)

For and on behalf of the Board

S. K. Goyal
Partner
M.No. 084613

P. L. Suri
Director

Varun Suri
Director

Place : New Delhi
Date : 28th August, 2010

Schedules Form ing Part of Balance Sheet

As at 31st March 2010

	(Rs. in thousand)	
	As at 31.03.2010	As at 31.03.2009
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
50000 Equity Shares of Rs. 10/- each	500	500
	<u>500</u>	<u>500</u>
Issued, Subscribed and Paid up		
50000 Equity Shares of Rs.10/- each fully paid up	500	500
	<u>500</u>	<u>500</u>
SCHEDULE 2		
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets		
Cash on Hand	-	-
Balance with Schedule Bank	117	117
	<u>117</u>	<u>117</u>
Loans and Advances		
Advances Recoverable in cash or in kind or for value to be recdeived	-	-
TOTAL	-	-
SCHEDULE 3		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
TDS	-	-
Other Liabilities(including Rs 137 thousands from holding Company)	220	200
	<u>220</u>	<u>200</u>
Provisions	-	-
	<u>-</u>	<u>-</u>
TOTAL	220	200



Significant Accounting Policies and Notes on Accounts

For the year ended 31st March, 2010

I. SIGNIFICANT ACCOUNTING POLICIES

a) Basis for preparation of accounts

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

b) Fixed Assets

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

c) Depreciation

Depreciation on fixed assets is provided on straight line method in accordance with Section 205(2)(b) of the Companies Act, 1956 at the rates which are not lower than the rates specified in Schedule XIV to the Companies Act, 1956.

d) Investments

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

e) Revenue recognition

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

f) Contingent Liabilities

These are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts in respect of those liabilities which are likely to materialize after the year end till the finalization of accounts and have material effect on the position stated in the Balance Sheet.

g) Impairment of assets

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

h) Amortization of Miscellaneous Expenditure

Preliminary Expenses are written off over a period of five years commencing from start of business operations.

II. NOTES ON ACCOUNTS

1. No Profit and Loss Account has been prepared as the Company has not started commercial operation. However, the necessary details as per schedule VI, Part II of the Companies Act, 1956 have been disclosed in the Statement of "Preoperative Expenses".
2. Figures have been rounded off to the nearest thousands.
3. Foreign currency earned / spent during the year-----Nil
4. Any other information required to be furnished under the Companies Act 1956 - NIL

5. Related party disclosure as required under Accounting Standard (AS-18) on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

a.	Related parties	Name
i.	Holding Company	Blue Coast Hotels Limited
ii.	Key management Personnel	- Mr. P.L.Suri, Director - Mr. Varun Suri, Director - Mrs. Shalu Suri, Director
iii	Relatives of Key Management personnel with which the company has transactions during the year	Nil
iv.	Entities over which management personnel/ relatives of key management personnel are able to exercise significant influence in which the Company has transaction	Nil

b.	Transaction with Related parties	Nature of transaction	Rs in thousands
i	Holding Company	- Advance taken Closing balance as on 31.3.10 (Payable) /Recoverable	1 (137)

6 INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Balance Sheet Abstract And Company's General Business Profile

I. Registration Details :

Registration No.

005101

State Code

GA

Balance Sheet Date

31

03

10

Date

Month

Year

II. Capital raised/advance subscription raised during the period (Amount in Rs. thousands)

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

III. Position of mobilisation and deployment of funds (Amount in Rs. thousands)

Total Liabilities

500

Total Assets

500

Sources of Funds

Paid up Capital

500

Reserves & Surplus

NIL

Secured Loan

NIL

Unsecured Loan

NIL

Deferred Tax Liability

NIL

Application of Funds

Net Fixed Assets

562

Investments

NIL

Net Current Assets

103

Deferred Tax Asset

NIL

Accumulated Loss

NIL

Misc. Expenditure

41

IV. Performance of Company (Amount in Rs. thousands)

Turnover

NIL

Total Expenditure

NIL

Profit/Loss Before Tax

NIL

Profit/Loss After Tax

NIL

Earning/(Loss) per share in Rs

NIL

Dividend rate %

NIL

V. Generic Names of Three Principal Products/ Services of Company (As per monetary terms)

Product Description

Item Code No. (ITC Code)

N.A.

N.A.

SCHEDULE I TO IV FORM AN INTEGRAL PART OF ACCOUNTS AND HAVE BEEN DULY AUTHENTICATED.

As per our separate report of even date
For M.KAMAL MAHAJAN AND CO.
Chartered Accountants
(Firm Regn. No.06855N)

For and on behalf of the Board

S. K. Goyal
Partner
M.No. 084613

P. L. Suri
Director

Varun Suri
Director

Place : New Delhi
Date : 28th August, 2010

Cash Flow Statement

For the year ended 31st March, 2010

	(Rs. in thousand)	
	Year Ended 31.03.2010	Period Ended 31.03.2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	-	-
Operating profit before working capital changes	-	-
Adjustments for working capital changes :		
Creditors & other liabilities	20	120
Changes in working capital	20	120
Net cash from operating activities	20	120
B CASH FLOW FROM INVESTING ACTIVITIES		
Preoperative expenses	(20)	(30)
Net cash used in investing activities	(20)	(30)
C CASH FLOW FROM FINANCING ACTIVITIES		
Preliminary Expenses incurred	-	(1)
Proceeds from issue of share capital	-	-
Net cash used in financing activities	-	(1)
Net increase in cash and cash equivalents(A+B+C)	-	89
Opening balance of cash and cash equivalents	117	28
Closing balance of cash and cash equivalents	117	117

As per our separate report of even date
For M.KAMAL MAHAJAN AND CO.
Chartered Accountants
(Firm Regn. No.06855N)

S. K. Goyal
Partner
M.No. 084613

Place : New Delhi
Date : 28th August, 2010

For and on behalf of the Board

P. L. Suri
Director

Varun Suri
Director

Directors' Report

THE MEMBERS,

Golden Joy Hotel Pvt. Ltd

Your Directors have the pleasure in presenting the 1st Annual Report of the Company for the period ended 31st March, 2010 comprising of balance sheet as at 31st March, 2010 and the statement of Pre-operative expenses for the period ended on that date.

1. FINANCIAL RESULTS

The Company has not commenced the commercial operations till date of the close of the financial year ending 31st March, 2010 and hence no Profit & Loss Account has been drawn. However, during the period under report the Company has incurred pre-operative expenses of Rs. 53.23 Lacs.

2. PUBLIC DEPOSITS

During the year under report your Company has not accepted or renewed any public deposit and hence no amount of principal or interest was outstanding as of the Balance Sheet Date.

3. BOARD OF DIRECTORS

Mr. P.L. Suri and Mrs. Mamta Suri were named as first directors in the Articles of Association of the Company. There is no change among directors of the Company during the under review.

4. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility, it is hereby confirmed;

- i) That in the preparation of the Accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures, as mentioned in the Notes on Accounts;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2010 on 'going concern' basis.

5. AUDITORS

The Statutory Auditors of the Company M/s M. Kamal Mahajan & Co, Chartered Accountants retire at the Annual General Meeting and are eligible for reappointment.

Observations made by the Auditors in their report read with relative notes on accounts are self explanatory.

6. PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, there are no employees falling under these provisions.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

As your company has not commenced any business activity, the particulars relating to Conservation of Energy and Technology Absorption as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 2(A) and (B), 1998 are not applicable.

Foreign Exchange Earnings and Outgo

For Foreign Exchange Earnings and Outgo for the year under report please refer to the Notes on Accounts of the Company as contained in Schedule 5 attached to and forming part of the Balance Sheet.

By Order of the Board
For Golden Joy Hotel Pvt. Ltd.

Place: New Delhi
Date: August 28, 2010

P.L. Suri
Director

Mamta Suri
Director

Auditors' Report

To The Members of
Golden Joy Hotel (P) Limited

We have audited the attached balance sheet of **GOLDEN JOY HOTEL (P) LIMITED** as at 31st March 2010, the Statement of Preoperative Expenses and the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have 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 appears from our examination of those books
 - c) The balance sheet, and statement of preoperative expenses and cash flow statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the balance sheet, the statement of preoperative expenses and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the balance sheet, of the state of affairs of the company as at 31st March 2010;
- ii. in the case of the statement of preoperative expenses of the expenses incurred during the period ended on that date; and
- iii. in the case of cash flow statement, of the cash flows for the period ended on that date.

For **M Kamal Mahajan And Co.**
Chartered Accountants
(Firm Regn. No. 06855N)

Place : New Delhi
Dated : 28th August 2010

S. K. Goyal
(Partner)
M No. 084613

Anenxure to the Auditors' Report

Referred to in paragraph 3 of our report of even date to the members of GOLDEN JOY HOTEL (P) LIMITED -
Period ending 31.3.2010

- (i) a) The company has no fixed assets.
b) Not applicable in view of (i)(a) above.
c) Not applicable in view of (i)(a) above
- (ii) The company does not have any inventory, hence provisions of clause (ii) of the Order are not applicable to the company.
- (iii) a) As explained to us, the company has not granted any secured/unsecured loans to companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
b) Not applicable in view of iii (a) above.
c) Not applicable in view of iii (a) above.
d) Not applicable in view of iii (a) above.
e) As explained to us, the company has not taken any loans, secured or unsecured from the companies, firms and persons covered in the Register maintained under Section 301 of the Companies Act, 1956.
f) Not applicable in view of iii (e) above.
g) Not applicable in view of iii (e) above.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets. During the course of our audit, no major weakness has been noticed in the internal controls system. weakness has been noticed in the internal controls systems.
- (v) a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that no contracts or arrangements referred to in section 301 of the act have been entered in to by the company during the period.
b) Not applicable in view of v(a) above.
- (vi) The company has not accepted any deposits hence provisions of clause (vi) of the Order are not applicable to the company.
- (vii) In our opinion and according to the information and explanation given to us, the company has an internal audit system commensurate with the size of the company and nature of its business.
- (viii) As explained to us, the Central Government has not prescribed any cost records under Section 209(1) (d) of the Companies Act, 1956.
- (ix) a) According to the records of the company, the company in general, is regular in depositing with appropriate authorities all undisputed statutory dues applicable to it.
b) According to the information and explanations given to us and on the basis of our verification of books of accounts of the company, no amounts payable in respect of Income-tax, Sales-tax, Wealth tax, Service-tax Customs duty, Excise duty, cess were outstanding, as at 31st March, 2010 due to any dispute.
- (x) As the company has not been registered for a period of five years or more, this clause is not applicable to the company.
- (xi) The company has not taken any loans from financial institutions.
- (xii) Based on our examination of documents and records, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) In our opinion the company is not a chit fund/nidhi/mutual benefit fund/societies and hence provisions of clause xiii are not applicable to it.
- (xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments hence provisions of this clause are not applicable to it.
- (xv) Based on our examination of the records and as explained to us, we are of the opinion that the company has not given any guarantee.
- (xvi) The company has not raised any term loans during the year under audit.
- (xvii) The company has not raised any funds on short term basis during the year under audit.
- (xviii) During the year the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) During the period covered by our audit report, the company has not issued any debentures hence provisions of this clause are not applicable to it.
- (xx) During the period covered by our audit report, the company has not raised any money by way of public issue.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For **M Kamal Mahajan And Co.**
Chartered Accountants
(Firm Regn. No. 06855N)

Place : New Delhi
Dated : 28th August 2010

S. K. Goyal
(Partner)
M No. 084613

GOLDEN JOY HOTEL PRIVATE LIMITED

Balance Sheet

As at 31st March 2010

(Rs.in thousand)

PARTICULARS	Schedules	As at 31.03.2010
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital	1	500
UNSECURED LOANS	2	7634
TOTAL		<u>8134</u>
APPLICATION OF FUNDS		
Fixed Assets		
Capital Work in Progress		
- Pre-operative Expenses		5323
		<u>5323</u>
Current Assets, Loans & Advances	3	
Cash & Bank Balances		81
Loan & Advances		2775
		<u>2856</u>
Less : Current Liabilities and Provision	4	
Current Liabilities		91
		<u>91</u>
Net Current Assets		2765
Miscellaneous Expenditure		46
(To the extent not written off or adjusted)		
TOTAL		<u>8134</u>
Significant Accounting Policies and Notes on Accounts	5	

As per our separate report of even date
For **M Kamal Mahajan And Co.**
Chartered Accountants
(Firm Regn. No.06855N)

S. K. Goyal
Partner
(M.No.084613)

Place : New Delhi
Date : 28th August, 2010

For and on behalf of the board

Mamta Suri
(Director)

P L Suri
(Director)

Pre operative expenses

For the period ended 31st march, 2010

(Rs.in thousand)	
PARTICULARS	Period ended 31.03.2010
Professional Charges	1283
Audit Fees	19
General Expenses	1521
Development Charges	2500
	<u>5323</u>

As per our separate report of even date
For **M Kamal Mahajan And Co.**
Chartered Accountants
(Firm Regn. No.06855N)

For and on behalf of the board

S. K. Goyal
Partner
(M.No.084613)

Mamta Suri
(Director)

P L Suri
(Director)

Place : New Delhi
Date : 28th August, 2010

Schedules Forming part of Balance Sheet

As at 31st March 2010

		(Rs.in thousand)
PARTICULARS	Schedules	As at 31.03.2010
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
100000 Equity Shares of Rs. 10/- each		<u>1000</u>
		<u>1000</u>
Issued, Subscribed and paid up		
50000 Equity Shares of Rs.10/- fully paid up		<u>500</u>
TOTAL		<u>500</u>
SCHEDULE 2		
UNSECURED LOANS		
From Blue Coast Hotels Limited(Holding Company)		<u>7634</u>
		<u>7634</u>
SCHEDULE 3		
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets		
Cash in Hand		
Balance with Scheduled Banks		<u>81</u>
TOTAL		<u>81</u>
Loans & Advances		
Advances recoverable in cash or in kind or for value to be received		<u>2775</u>
TOTAL		<u>2775</u>
SCHEDULE 4		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
TDS		<u>72</u>
Other Liabilities		<u>19</u>
		<u>91</u>
Provisions		<u>-</u>
		<u>-</u>
TOTAL		<u>91</u>

As per our separate report of even date
For **M Kamal Mahajan And Co.**
Chartered Accountants
(Firm Regn. No.06855N)

S. K. Goyal
Partner
(M.No.084613)

Place : New Delhi
Date : 28th August, 2010

For and on behalf of the board

Mamta Suri
(Director)

P L Suri
(Director)

Significant Accounting Policies and Notes on Accounts

Period Ended 31.03.2010

I. SIGNIFICANT ACCOUNTING POLICIES

a) Basis for preparation of accounts

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

b) Fixed Assets

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

c) Depreciation

Depreciation on fixed assets is provided on straight line method in accordance with Section 205(2)(b) of the Companies Act, 1956 at the rates which are not lower than the rates specified in Schedule XIV to the Companies Act, 1956.

d) Investments

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

e) Revenue recognition

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

f) Contingent Liabilities

These are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts in respect of those liabilities which are likely to materialize after the year end till the finalization of accounts and have material effect on the position stated in the Balance Sheet.

g) Impairment of assets

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

h) Amortization of Miscellaneous Expenditure

Preliminary Expenses are written off over a period of five years commencing from start of business operations.

II. NOTES ON ACCOUNTS

- 1 No profit and Loss Account has been prepared as the Company has not started commercial operation. However, the necessary details as per schedule VI, Part II of the Companies Act, 1956 have been disclosed in the Statement of "Preoperative Expenses".
- 2 The company has been allotted a plot for hotel project in Amritsar by Punjab Urban Planning and Development Authority on lease for a period of sixty years. The company has taken possession of plot and is in the process of setting up the hotel.
- 3 This, being the first year of the company, previous year figures have not been given.

4 Contingent liabilities not provided for-

	31.3.2010 (Rs. In thousands)
Capital Account	25720

Figures have been rounded off to the nearest thousands.

Foreign currency earned -----Nil

Foreign currency spent during the period paid to consultants -----Rs 2775 thousands

Any other information required to be furnished under the Companies Act 1956 - NIL

Related party disclosure as required under Accounting Standard (AS-18) on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

a. Related parties

		Name
i.	Holding Company	Blue Coast Hotels Limited
ii.	Key management Personnel	- Mr.P.L.Suri, Director - Mrs. Mamta Suri, Director
iii.	Relatives of Key Management personnel with which the company has transactions during the year	Nil
iv.	Entities over which management personnel/ relatives of key management personnel are able to exercise significant influence in which the Company has transaction	Nil

b. Transaction with Related parties

		Nature of transaction	Rs in thousands
i	Holding Company	Unsecured loans	7634
		Issue of share capital	500
		Closing balance as on 31.3.10	(7634)
		(Payable) /Recoverable	

9. INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Balance Sheet Abstract And Company's General Business Profile

I. Registration Details :

Registration No.

031810

State Code

CH

Balance Sheet Date

31

03

10

Date

Month

Year

II. Capital raised/advance subscription raised during the period (Amount in Rs. thousands)

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

500

III. Position of mobilisation and deployment of funds (Amount in Rs. thousands)

Total Liabilities

8134

Total Assets

8134

Sources of Funds

Paid up Capital

500

Reserves & Surplus

NIL

Secured Loan

NIL

Unsecured Loan

634

Deferred Tax Liability

NIL

Application of Funds

Net Fixed Assets

5323

Investments

NIL

Net Current Assets

2765

Deferred Tax Asset

NIL

Accumulated Losses

NIL

Misc. Expenditure

46

IV. Performance of Company (Amount in Rs. thousands)

Turnover

NIL

Total Expenditure

NIL

Profit/Loss Before Tax

NIL

Profit/Loss After Tax

NIL

Earning/(Loss) per share in Rs

NIL

Dividend rate %

NIL

V. Generic Names of Three Principal Products/ Services of Company (As per monetary terms)

Product Description

Item Code No. (ITC Code)

Hotel & Resorts

N.A.

SCHEDULE I TO V FORM AN INTEGRAL PART OF ACCOUNTS AND HAVE BEEN DULY AUTHENTICATED.

As per our separate report of even date
For **M Kamal Mahajan And Co.**
Chartered Accountants
(Firm Regn. No.06855N)

For and on behalf of the board

S. K. Goyal
Partner
(M.No.084613)

Mamta Suri
(Director)

P L Suri
(Director)

Place : New Delhi
Date : 28th August, 2010

Cash Flow Statement

For the period ended 31st March, 2010

	(Rs. in thousand)
	Year Ended 31.03.2010
A CASH FLOW FROM OPERTING ACTIVITIES	-
Net cash from operating activities	-
B CASH FLOW FROM INVESTING ACTIVITIES	
Preoperative expenses	(5323)
Net cash used in investing activities	(5323)
C CASH FLOW FROM FINANCING ACTIVITIES	
Proceds from issue of share capital	500
Unsecured loans	7634
Project Advances	(2775)
Others	45
Net cash used in financing activities	5404
Net increase in cash and cash equivalents (A+B+C)	81
Closing balance of cash and cash equivalents	81

As per our separate report of even date
For **M Kamal Mahajan And Co.**
Chartered Accountants
(Firm Regn. No.06855N)

S. K. Goyal
Partner
(M.No.084613)

Place : New Delhi
Date : 28th August, 2010

For and on behalf of the board

Mamta Suri
(Director)

P L Suri
(Director)

Blue Coast

Hotels Ltd.

Regd. Office : 263C, Arossim, Cansaulim, Goa-403 712 INDIA Tel. : +91-832-2721234 Fax : +91-832-2721238

FORM OF PROXY

Folio No./Client ID

I/We.....
of
being a member of Blue Coast Hotels Limited, hereby appoint
of.....
or failing him.....of.....

as my/our Proxy to attend and vote for me/us and on my/our behalf at the 17th Annual General Meeting of the members of Blue Coast Hotels Limited to be held at 263C, Arossim, Cansaulim, Goa 403712 on Wednesday, the 29th day of September, 2010 at 10:00 A.M. and at any adjournment thereof.

Signed this.....day of.....2010

Signed by the said.....

Affix a
30 paise.
Revenue
Stamp

Notice : The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered office of the Company not less than 48 hours before the meeting. The Proxy need not be a member of the Company.

Blue Coast

Hotels Ltd.

Regd. Office : 263C, Arossim, Cansaulim, Goa-403 712 INDIA Tel. : +91-832-2721234 Fax : +91-832-2721238

ATTENDANCE SLIP

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

Member's Name
(In Block Letters)

.....

Folio No./Client ID

.....

Name of Proxy
(If attending for Member)
(in Block Letters)

.....

I hereby record my presence at the 17th Annual General Meeting of the members of Blue Coast Hotels Limited to be held at 263C, Arossim, Cansaulim, Goa-403712 on Wednesday, the 29th day of September, 2010 at 10:00 A.M.

.....
(Signature of the Member or Proxy if attending for member)

1. Members/Proxies are requested to bring the DULY SIGNED Attendance Slip to the Meeting and hand it over at the entrance.
2. For the convenience of Members, persons other than Members/Proxies will not be admitted.







Corp. Office : 415-417, Antriksh Bhawan, 22, K G Marg, New Delhi -110 001 INDIA Tel. : +91-11-23358774 -775 Fax : +91-11-23358776.

Regd. Office : 263C, Arossim, Cansaulim, Goa-403 712 INDIA Tel. : +91-832-2721234 Fax : +91-832-2721238