

CHARTERED ACCOUNTANTS

LIMITED REVIEW REPORT

Review Report to

The Board of Directors Blue Coast Hotels Limited

1. We have reviewed the accompanying statement of un-audited financial results of Blue Coast Hotels Limited, ("the company") for the quarter ending 30th September, 2013 (the "Statement") except for the disclosures regarding 'Public Shareholding' and 'Promoters and Promoter Group Shareholding', which have been traced from disclosures made by the management and have not been reviewed by us. We have also reviewed Statement of Assets and Liabilities of the company as on that date. These statements are the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.
3. **Matter of Emphasis**

Without qualifying our report, we draw attention to followings foot note of the unaudited financial results for the quarter under review:-
 - a) Foot Note No 5 regarding recalling the entire loan and interest by the financial institution under SRFA&ESI Act, 2002. On the request of the company, the financial institution has agreed to extend the time limit for repayment of entire loan up to March 2014 and as a result also deferred the recovery proceedings started under SRFA&ESI Act, 2002.
 - b) Foot Note No 6 regarding recalling the entire principal amount of Debentures, secured by second charge on the hotel property at Goa with up to date redemption premium and interest.
 - c) Foot Note No 7 regarding contingent liability of Rs. 17664.00 lacs for obligations towards buyback of equity share capital along with return on investment of its subsidiary company which is secured against the Goa hotel property of the company.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of un-audited financial results



prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended)] and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed or that it contains any material misstatement.

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

Man Mohan Kamal



M. K. Mahajan
Partner
M. No. 017418

Place : New Delhi
Date : 11.11.2013

BLUE COAST HOTELS LTD.						
STATEMENT OF UN- AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th SEPTEMBER 2013						
(Rs in lacs)						
Sl.No.	Particulars	Standalone				
		Quarter Ended		Six Month Ended		Year Ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	31.03.2013
		Un-audited		Un-audited		Audited
1	Income from operations					
	a) Sales / income from operations	1644.82	1916.27	1392.79	3561.09	9737.26
	b) Other Operating income	0.85	0.00	0.49	0.85	10.76
	Total Income from operations	1645.67	1916.27	1393.28	3561.94	9748.02
2	Expenses					
	a) Cost of Materials consumed	363.09	378.39	301.25	741.48	1491.56
	b) Employee benefits expense	502.65	518.02	485.78	1020.67	1862.76
	c) Power, fuel & light	178.19	166.96	119.76	345.15	535.81
	d) Management Fee	64.09	92.97	50.80	157.06	667.44
	e) Sales & Marketing	167.69	204.70	143.71	372.39	767.99
	f) Depreciation	236.94	232.93	231.13	469.87	918.09
	g) Other expenses	383.16	336.58	326.21	719.74	1338.51
	Total Expenses	1895.81	1930.55	1658.64	3826.36	7583.16
3	Profit / (Loss) from Operations before other income, finance cost & exceptional items(1-2)	(250.14)	(14.28)	(265.36)	(264.42)	2164.86
4	Other Income	9.09	13.20	10.21	22.29	99.67
5	Profit/ (Loss) from ordinary activities before finance cost & exceptional items (3 +4)	(241.05)	(1.08)	(255.15)	(242.13)	2264.53
6a	Finance Cost on operations	268.48	259.48	241.07	527.96	1095.00
6b	Profit/ (Loss) from ordinary activities before finance cost on investments & exceptional items (5-6a)	(509.53)	(260.56)	(496.22)	(770.09)	1169.53
6c	Finance cost on investments	941.84	932.10	883.48	1873.94	3627.00
7	Profit/ (Loss) from ordinary activities after finance cost but before exceptional items (6b-6c)	(1451.37)	(1191.66)	(1379.70)	(2644.03)	(2457.47)
8	Exceptional items	-	-	-	-	-
9	Profit/(Loss) from ordinary activities before tax(7-8)	(1451.37)	(1191.66)	(1379.70)	(2644.03)	(2457.47)
10	Tax Expense					
	a) Deferred Tax Liability / (Asset)	(363.34)	(386.63)	(447.64)	(749.97)	(797.33)
	b) Income Tax earlier years	-	-	-	-	120.74
11	Net Profit /(Loss) from ordinary activities after tax(9-10)	(1088.03)	(805.03)	(932.06)	(1894.06)	(1780.88)
12	Extraordinary items (net of tax)	-	-	1013.33	-	1032.78
13	Net Profit /(Loss) for the period(11-12)	(1,088.03)	(805.03)	81.27	(1,894.06)	(748.10)
14	Paid -up-Equity Share Capital (face Value of Rs. 10/- per share)	886.50	886.50	886.50	886.50	886.50
	Paid -up Preference Share Capital (face Value of Rs. 100/- per share)	8150.00	8150.00	8150.00	8150.00	8150.00
15	Reserves (excluding Revaluation Reserves)	-	-	-	-	5889.32
16	Earning per share (in Rupees)*					
	-Basic & Diluted before extra ordinary items	(13.55)	(10.36)	(11.81)	(23.94)	(25.22)
	-Basic & Diluted after extra ordinary items	(13.55)	(10.36)	(0.38)	(23.94)	(8.86)
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding					
	-Number of shares	4921962	4921962	4921962	4921962	4921962
	-% of shareholding	55.52	55.52	55.52	55.52	55.52
2	Promoters and Promoter Group Shareholding					
a)	Pledged/Encumbered					
	-Number of Shares**	3853042	3853042	3853042	3853042	3853042
	-Percentage of Shares(as a % of the total shareholding of Promoters and Promoter group)	97.72	97.72	97.72	97.72	97.72
	-Percentage of shares (as a % of total share capital of the company)	43.46	43.46	43.46	43.46	43.46
b)	Non-encumbered					
	-Number of Shares	89958	89958	89958	89958	89958
	-Percentage of Shares(as a % of the total shareholding of Promoters and Promoter group)	2.28	2.28	2.28	2.28	2.28
	-Percentage of shares (as a % of total share capital of the company)	1.02	1.02	1.02	1.02	1.02

B INVESTORS COMPLAINTS	
Particulars	for the quarter ended 30.9.2013
Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed off during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil

*After Considering dividend on Cumulative Preference Shares

** Pledged with the Term Lenders of the Company

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on 11.11.2013. A limited review of the same has been carried out by the statutory auditors.
- The Company is engaged in only one segment of business i.e. Hotel operations.
- Preference Shareholders are entitled to vote on every resolution placed before the company at any General Meeting of the Company.
- Finance cost on investments is related to investments in companies/SPVs engaged in hotel business.
- On the request of the company, the financial institution has agreed to extend the time limit for repayment of entire loan up to March 2014 and as a result also deferred the recovery proceeding started under SRFA&ESI Act, 2002.
- Due to tough economic condition and general slow down, the company has not been able to meet its debt commitments to Debenture holder. As a result thereof the Debenture holder has recalled the entire principal amount of Debentures, secured by second charge on the hotel property at Goa with up to date redemption premium and interest. Company is taking steps to mobilize funds to regularize the account.
- The company is contingently liable for obligation towards buy back of equity shares capital along with return on investment of Rs. 17664.00 lacs of its subsidiary company i.e. Silver Resorts Hotel India (Pvt.) Limited which is secured against the Goa hotel property of the company.
- Figures of the previous quarter/year, have been regrouped /re-classified to conform to the current quarter/year's classification.
- Consolidated Income from operations, Net Loss for the period and Earning Per Share after extraordinary items for the quarter ended 30th Sept 2013 stands at Rs. 1645.67 Lacs, Rs. (1089.77) lacs and Rs. (13.57) respectively.

10 Statement of Assets and Liabilities

Particulars		As at 30.09.2013 (Un-audited)	As at 31.03.2013 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
a)	Share capital	9036.50	9036.50
b)	Reserves and Surplus	3995.28	5889.32
	Sub-total-Shareholders' funds	13031.78	14925.82
2	Non-current liabilities		
a)	Long-term borrowings	27.23	6697.55
b)	Deferred tax liabilities (Net)	-	749.97
c)	Other Long term liabilities	98.66	2098.66
d)	Long-term provisions	128.58	128.58
	Sub-total-Non-current liabilities	254.47	9674.76
3	Current liabilities		
a)	Short-term borrowings	1089.71	930.82
b)	Trade payables	765.17	615.32
c)	Other current liabilities	30496.91	21259.45
d)	Short-term provisions	140.88	145.18
	Sub-total-current liabilities	32492.67	22950.77
	TOTAL EQUITY AND LIABILITIES	45778.92	47551.35
B	ASSETS		
1	Non-current assets		
a)	Fixed Assets	18040.34	18059.63
b)	Non-current Investments	23139.23	23139.23
c)	Long-term loans and advances	551.27	517.60
d)	Other non-current assets	-	247.01
	Sub-total-Non-current assets	41730.84	41963.47
2	Current assets		
a)	Inventories	1606.20	1612.76
b)	Trade receivables	340.16	488.35
c)	Cash and cash equivalents	167.26	288.26
d)	Short-term loans and advances	903.74	953.27
e)	Other current assets	1030.72	2245.24
	Sub-total-current assets	4048.08	5587.88
	TOTAL ASSETS	45778.92	47551.35

For and on Behalf of Board

P. L. Suri

P. L. Suri

Chairman & Managing Director

Date : 11.11.2013
Place : New Delhi

