

Date: 29/05/2018

To, The Manager (Listing), BSE Limited, Mumbai Symbol:531495	To, The Manager (Listing), National Stock Exchange Limited, Mumbai Symbol: BLUECOAST
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Subject: Outcome of Board Meeting.

Dear Sir(s),

In compliance with the requirement of regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors of the Company in their meeting held today on, the 29th May, 2018 (Starting at 12:30 noon and concluded at 8:30 P.M) considered and approved the Standalone and Consolidated Audited Financial Results for the quarter and Financial year ended 31st March, 2018.

A copy of the Standalone and Consolidated Audited Financial Results along with the Auditor's Report thereon are enclosed herewith.

The above is for your information and record.

Thanking you

For Blue Coast Hotels Limited


Dilip Bhagtani
CFO & Company Secretary*

Encl: As above

Blue Coast Hotels Ltd.

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

BLUE COAST HOTELS LIMITED
 CIN : L31200GA1992PLC003109
 Statement of Standalone Audited Financial Results
 For the Quarter & Year Ended 31st March, 2018

Particulars		(Rs. in Lakh)				
		Quarter ended			Year ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Revenue from operations					
	a) Revenue from operations	4,347.31	4,211.35	4,235.54	13,489.24	13,265.90
	b) Other Income	69.89	21.36	59.16	143.06	113.26
	Total Revenue	4,417.19	4,232.71	4,294.70	13,632.30	13,379.16
2	Expenses					
	a) Cost of Materials consumed	523.30	655.84	1,227.88	1,900.44	2,710.35
	b) Employee benefits expense	541.95	687.98	622.56	2,529.71	2,599.69
	c) Power, fuel & light	212.88	210.26	198.04	835.07	790.60
	d) Finance Cost	1,695.06	(173.84)	1,510.77	2,427.27	2,869.49
	f) Sales & Marketing	340.17	295.90	264.27	1,050.20	989.45
	g) Depreciation	175.60	167.06	171.75	674.42	663.01
	h) Other expenses	1,201.59	1,517.84	1,448.80	4,380.78	3,835.49
	Total Expenses	4,690.58	3,361.03	5,444.07	13,797.91	14,458.08
3	Profit before Exceptional Items & Tax (1-2)	(273.38)	871.68	(1,149.37)	(165.61)	(1,078.92)
4	Exceptional Items	-	-	-	-	-
5	Profit before Tax (3-4)	(273.38)	871.68	(1,149.37)	(165.61)	(1,078.92)
6	Income Tax					
	Income Tax - Current Period	-	-	-	-	-
	Income Tax - Prior Period	-	-	61.13	-	61.17
7	Net Profit for the period (5-6)	(273.38)	871.68	(1,088.24)	(165.61)	(1,017.75)
8	Other Comprehensive Income	25.89	3.03	-	34.98	-
9	Less Comprehensive Expense					
9	Total Comprehensive Income	(247.49)	874.71	(1,088.24)	(130.63)	(1,017.75)
10	Paid -up-Equity Share Capital (face Value of Rs. 10/- per share)	1,274.85	1,274.85	1,274.85	1,274.85	1,274.85
	Paid -up Preference Share Capital (face Value of Rs. 100/- per share)	4,150.00	4,150.00	4,150.00	4,150.00	4,150.00
11	Reserves excluding Revaluation Reserve	-	-	-	-	5,236.19
12	Earning per share (in Rupees)*					
	-Basic & Diluted before extraordinary items	(2.14)	6.04	(5.19)	(1.31)	(7.98)
	-Basic & Diluted after extraordinary items	(2.14)	6.04	(5.19)	(1.31)	(7.98)

* After considering dividend on Cumulative Preference Shares.

1 The above audited financial results of the Company have been prepared by the Company in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015 (as amended) and were reviewed by the Audit Committee and approved by the Board of Directors and taken on records at its meeting held on May 29, 2018



Blue Coast Hotels Ltd.

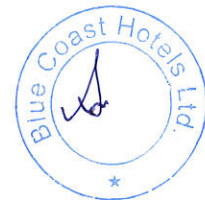
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- 2 The Company is engaged in only one segment of business i.e. Hotel operations.
- 3 The Company has adopted Indian Accounting Standard (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder beginning April 01, 2017 from the transition date of April 1, 2016. The figures for the quarter and year ended March 31, 2018 are in compliance with Ind AS. Accordingly, the figures of the previous period have been regrouped / reclassified. The IndAS compliant financial results for the quarter and year ended March 31, 2018 only have been audited or reviewed by the Statutory Auditors. The management has exercised adequate due diligence to ensure that the standalone financial results provide a true and fair view.
- 4 All investments in Equity Instruments are required to be measured at Fair Value as per IndAS 109. However, the Company has valued the same at Cost since the fair value of the same was not determinable.
- 5 The Company has filed a Review Petition before the Hon'ble Supreme Court of India against the judgement dated March 19, 2018 setting aside the order of Hon'ble High Court of Bombay dated March 23, 2015 and thereby upholding the sale of the hotel property at Goa. The Review Petition is pending for disposal before the Hon'ble Supreme Court of India. The outcome may have material impact on the Company as a going concern. The Hotel Property continues to be operated under the brand 'Park Hyatt Goa Resort & Spa' and maintained under the management agreement with Hyatt International.
- 6 The Company is contesting the suit filed by the Debenture holder against its alleged pre-mature recall/redemption of Debentures, disputed/default interest & redemption premium thereon and non-fulfilment of its other obligations which is pending adjudication.
- 7 The ownership of Equity Shares held by Northern Projects Limited, Namedi Leasing & Finance Ltd, Morgan Ventures Ltd and Praveen Electronics Pvt. Ltd is in dispute & the matter is pending for adjudications at different foras.
- 8 During the year, the tenure for the redemption of cumulative redeemable preference shares of Rs 41,50,00,000/- (Rs Forty One Crore Fifty Lakh) has been extended upto fifteen years i.e. upto the year 2032 pursuant to the resolution passed by way of Postal Ballot dated Sept 20, 2017 . A minority shareholder has taken an ex-parte order from National Company Law Tribunal (NCLT) against the above resolution which the company is contesting.
- 9 Finance cost includes provision for dividend on cumulative redeemable preference shares for the year. Further in view of the pending litigations, no provision for interest or any other charges has been made on secured borrowings from financial institution, bank and debentures.
- 10 The outcome of the litigations in the subsidiary company may have a material impact on the investments in subsidiary companies in respect of Delhi Aerocity Hotel Project and Amritsar Hotel Project and the investment in Joy Hotel & Resorts Pvt. Ltd for the Chandigarh Hotel Project
- 11 Reconciliation of the net profit for the quarter ended March 31, 2017 under Indian GAAP (Previous GAAP) and Ind AS is as under :

Particulars	Quarter Ended 31.03.2017	Year Ended 31.03.2017
Net Profit for the Quarter/period as per Previous GAAP	(673.24)	(602.75)
Add/(Less) Adjustment for GAAP Differences :		
Actuarial Gain / Loss on defined benefits plan reclassified to OCI	-	-
Impact of reclassification of Redeemable Preference Shares as Debt as per Ind AS- Provision of cumulative dividend thereon	(415.00)	(415.00)
Net Profit for the quarter/year as per Ind AS	(1,088.24)	(1,017.75)

- 12 Reconciliation of Equity as previously reported on account of transition from previous Indian GAAP to Ind AS for the year ended March 31, 2017 is as under:

Particulars	Year Ended 31.03.2017
Equity as on March 31, 2017 as per Previous GAAP	10,661.04
Add/(Less) - Adjustment for GAAP Differences	
Impact of reclassification of Redeemable Preference Shares as Debt as per Ind AS	(4,150.00)
Provision of cumulative dividend thereon	(5,993.47)
Others	12,153.47
Equity as on March 31, 2017 as per Ind AS	12,671.04



Blue Coast Hotels Ltd.

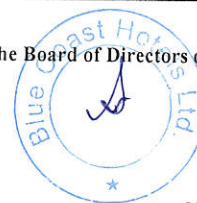
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13 Statement of Assets & liabilities		(Audited)	(Audited)
Particular		Year Ended	Year Ended
		31.03.2018	31.03.2017
A	ASSETS		
1	Non - Current Assets		
	Property Plant and Equipment	16,468.29	16,838.68
	Capital Work In Progress	4,351.96	163.26
	Other Intangible Assets	52.73	64.24
	Financial Assets :		
	Investments		
	Loans	23,140.37	23,139.25
	Other Non-Current Assets	467.86	464.92
		295.34	110.22
	Non - Current Assets	44,776.56	40,780.57
2	Current Assets		
	Inventories	198.01	302.62
	Financial Assets :		
	Investments	-	250.00
	Trade receivables	1,164.58	963.90
	Cash and cash equivalents	933.44	1,007.92
	Other current assets	1,456.20	4,823.12
	Current Assets	3,752.23	7,347.56
	TOTAL ASSETS	48,528.79	48,128.13
B	EQUITY AND LIABILITIES		
1	Equity		
	Equity Share Capital	1,274.85	1,274.85
	Other Equity	11,158.33	11,396.19
	Equity	12,433.18	12,671.04
2	Non - Current Liabilities		
	Financial Liabilities :		
	Borrowings	4,220.80	4,237.56
	Other Financial liabilities	98.66	98.66
	Long term provisions	132.61	165.08
	Non-Current Liabilities	4,452.08	4,501.29
3	Current Liabilities		
	Financial Liabilities :		
	Borrowings	-	-
	Trade Payables	1,022.01	872.02
	Other Financial liabilities	29,111.75	28,722.68
	Other Current Liabilities	1,494.44	1,335.81
	Provisions	15.33	25.28
	Current Liabilities	31,643.54	30,955.79
	TOTAL EQUITY AND LIABILITIES	48,528.79	48,128.13

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

Place : New Delhi

Date : 29.05.2018




(Sushil Suri)

Chairman & Managing Director

Blue Coast Hotels Ltd.

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DEWAN & GULATI

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

**TO,
THE MEMBERS OF BLUE COAST HOTELS LIMITED**

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying Standalone financial statements of **BLUE COAST HOTELS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements")

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

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

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



5. Refer Note 4 & 20
The outcome of the pending litigation in the subsidiary company Golden Joy Hotel Resort Private Limited with respect to Amritsar Hotel Project may have an impact on investment made by the Company.
6. Refer Note 11 (B)
The ownership in equity shares held by Northern Projects Limited, Morgan Ventures Ltd and Praveen Electronics Pvt Ltd and is in dispute and the matter is pending adjudication at different forums.
7. Refer Note 11 (C)
During the year, the tenure for the redemption of cumulative redeemable preference shares of Rs 41,50,00,000/- (Rs Forty One Crore Fifty Lakh) has been extended upto fifteen years i.e. upto the year 2032 pursuant to the resolution passed by way of Postal Ballot Sept 20, 2017 . A minority shareholder has taken an ex-parte order against the above resolution which the company is contesting.
8. Refer Note 17
The Company is contesting the suit filed by the Debenture holder and in view of the pending litigation, no debenture redemption reserve is created.
9. Refer Note 20 (i)
The company has given a guarantee of Rs. 6500 Lakh to Banks/ Financial institutions for loan taken by Joy Hotel Private Limited for setting up a five-star hotel project at Chandigarh which has achieved a One Time Settlement with its secured lenders which had initiated recovery proceedings against it under SARFAESI Act, 2002. Further, the Hon'ble High Court was pleased to stay the auction of the hotel plot by the Estate Office which had resumed it
10. Refer Note 20 (ii)
The financial institution from which the company had taken term loan had also invested in the equity share capital of the subsidiary of the company Silver Resort Hotel India (P) Limited (setting up a five star hotel project near International Airport, Delhi) to the tune of Rs. 8500.00 Lakh. The company had executed Buy-back agreements on joint & several basis with the erstwhile directors. Till the buy back of entire equity is completed, IFCI Limited has a first charge basis on the hotel property at Goa.
11. Refer Note 25
Finance cost includes provision for dividend on cumulative redeemable preference shares for the year. Further in view of the pending litigations, no provision for interest or any other charges has been made on secured borrowings from financial institution, bank and debentures.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.]
2. As required by Section 143 (3) of the Act, based on our audit we report that:



- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in the respective schedules in its standalone Ind AS financial statements
 - ii. The Company did not have any Long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

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

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

Place: New Delhi
Date: 29-May-2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Blue Coast Hotels Limited

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records of the Company, the title deeds of the immovable properties are held in the name of the company.
- (ii) According to the information and explanations furnished to us, the inventory has been physically verified at reasonable intervals by the management & no material discrepancies were noticed by the management.
- (iii) According to the information and explanations furnished to us, the company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership or other parties during the year covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investment made, and guarantees and security provided by it during the year.
- (v) According to the information & explanations given to us the company has not accepted deposits from the public within the meaning of section 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified during the year. Hence, the provisions of this clause are not applicable.
- (vi) The Central Government has not prescribed cost records for the company under section (1) of section 148 of the Act. Hence, the provisions of this clause are not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company, in general, is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues due to the appropriate authorities.
- (b) According to the information & explanations given to us, there are no dues payable in respect of Sales-tax, Value Added Tax, Service-tax, Income Tax, Customs duty, cess, central excise which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) Based on our audit procedures and according to the information and explanation given to us by the management, the company has defaulted in repayment of dues to the financial institution and debenture holders as under:



S.No.	Name	Nature of dues	Principal Amount (Rs. in Lakh)	Period of default
1	IFCI Ltd	Term Loan	11,368.91	Up to 6 years
2	PACL Ltd.	Debentures Principal amount	10,000.00	Up to 5 years

- (ix) According to the information and explanations given to us and based on our examination of the records of the company, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations given to us and based on our verification of books of accounts of the company, the company has not paid/provided any amount of Managerial remuneration during the year. Accordingly, paragraph 3(xi) of the order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or person connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provision of clause 3 (xvi) of the Order are not applicable to the company.

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



CA. (Dr.) Sand Gulati
Partner
(Membership No. 082929)

Place: New Delhi
Date: 29-May-2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of THE BLUE COAST HOTELS LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DEWAN AND GULATI**

Chartered Accountants

(Firm's Registration No. 03881N)



CA. (Dr.) **Sumi Gulati**

Partner

(Membership No. 082929)

Place: New Delhi

Date: 29-May-2018

BLUE COAST HOTELS LIMITED
 CIN : L31200GA1992PLC003109
 Statement of Consolidated Audited Financial Results
 For the Quarter & Year Ended 31st March, 2018

(Rs. in Lakh)

Particulars	Year ended	
	31.03.2018	31.03.2017
	(Audited)	(Audited)
1 Revenue from operations		
a) Revenue from operations	13,489.24	13,265.90
b) Other Income	143.06	113.26
Total Revenue	13,632.30	13,379.16
2 Expenses		
a) Cost of Materials consumed	1,900.44	2,710.35
b) Employee benefits expense	2,529.71	2,599.69
c) Power, fuel & light	835.07	790.60
d) Finance Cost	2,427.27	2,869.49
f) Sales & Marketing	1,050.20	989.45
g) Depreciation	674.40	663.01
h) Other expenses	4,381.26	3,836.06
Total Expenses	13,798.37	14,458.65
3 Profit before Exceptional Items & Tax (1-2)	(166.07)	(1,079.49)
4 Exceptional Items	-	-
5 Profit before Tax (3-4)	(166.07)	(1,079.49)
6 Income Tax		
Income Tax - Current Period	-	-
Income Tax - Prior Period	-	61.17
7 Net Profit for the period (5-6)	(166.07)	(1,018.32)
8 Other Comprehensive Income	34.98	-
9 Less Comprehensive Expense		
10 Total Comprehensive Income	(131.09)	(1,018.32)
11 Paid -up-Equity Share Capital (face Value of Rs. 10/- per share)	1,274.85	1,274.85
Paid -up Preference Share Capital (face Value of Rs. 100/- per share)	4,150.00	4,150.00
12 Reserves excluding Revaluation Reserve	-	5,236.19
13 Earning per share (in Rupees)*		
-Basic & Diluted before extraordinary items	(1.31)	(7.99)
-Basic & Diluted after extraordinary items	(1.31)	(7.99)

* After considering dividend on Cumulative Preference Shares.

Blue Coast Hotels Ltd.

415-417, Antriksh Bhawan, 22, K.G. Marg, New Delhi-110 001 | Tel. : +91 11 23358774-75 | E-mail : info@bluecoast.in | www.bluecoast.in
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- 1 The above audited financial results of the Company have been prepared by the Company in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015 (as amended) and were reviewed by the Audit Committee and approved by the Board of Directors and taken on records at its meeting held on May 29, 2018
- 2 The Company is engaged in only one segment of business i.e. Hotel operations.
- 3 The Company has adopted Indian Accounting Standard (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder beginning April 01, 2017 from the transition date of April 1, 2016. The figures for the quarter and year ended March 31, 2018 are in compliance with Ind AS. Accordingly, the figures of the previous period have been regrouped / reclassified. The IndAS compliant financial results for the quarter and year ended March 31, 2018 only have been audited or reviewed by the Statutory Auditors. The management has exercised adequate due diligence to ensure that the standalone financial results provide a true and fair view.
- 4 All investments in Equity Instruments are required to be measured at Fair Value as per IndAS 109. However, the Company has valued the same at Cost since the fair value of the same was not determinable.
- 5 The Company has filed a Review Petition before the Hon'ble Supreme Court of India against the judgement dated March 19, 2018 setting aside the order of Hon'ble High Court of Bombay dated March 23, 2015 and thereby upholding the sale of the hotel property at Goa. The Review Petition is pending for disposal before the Hon'ble Supreme Court of India. The outcome may have material impact on the Company as a going concern. The Hotel Property continues to be operated under the brand ' Park Hyatt Goa Resort & Spa " and maintained under the management agreement with Hyatt International.
- 6 The Company is contesting the suit filed by the Debenture holder against its alleged pre-mature recall/redemption of Debentures, disputed/default interest & redemption premium thereon and non-fulfilment of its other obligations which is pending adjudication.
- 7 The ownership of Equity Shares held by Northern Projects Limited, Namedi Leasing & Finance Ltd, Morgan Ventures Ltd and Praveen Electronics Pvt. Ltd is in dispute & the matter is pending for adjudications at different foras.
- 8 During the year, the tenure for the redemption of cumulative redeemable preference shares of Rs 41,50,00,000/- (Rs Forty One Crore Fifty Lakh) has been extended upto fifteen years i.e. upto the year 2032 pursuant to the resolution passed by way of Postal Ballot dated Sept 20, 2017 . A minority shareholder has taken an ex-parte order from National Company Law Tribunal (NCLT) against the above resolution which the company is contesting.
- 9 Finance cost includes provision for dividend on cumulative redeemable preference shares for the year. Further in view of the pending litigations, no provision for interest or any other charges has been made on secured borrowings from financial institution, bank and debentures.
- 10 The outcome of the litigations in the subsidiary company may have a material impact on the investments in subsidiary companies in respect of Delhi Aerocity Hotel Project and Amritsar Hotel Project and the investment in Joy Hotel & Resorts Pvt. Ltd for the Chandigarh Hotel Project
- 11 During the year, the Company Silver Resort Hotel India Private Limited, the subsidiary company, has filed an appeal before the Hon'ble High Court of Delhi challenging the termination of the Development Agreement & Infrastructure Development & Services Agreement . Pursuant to the Arbitral Tribunal Award, DIAL deposited a sum of Rs 76,98,66,102.00 (PY Nil) with the Hon'ble High Court of Delhi in a representative suit filed by the Unit Holders of the Aerocity Hotel Project. Further, DIAL has also filed a winding up petition against the Company for recovery of Rs 9588.97 Lakh towards the license fee, advance development cost and interest thereon, which was challenged by the Company before the Hon'ble High Court and the Hon'ble High Court was pleased to grant a stay in an appeal filed by the Company against the order of the single judge. Pending the disposal of the Appeals, no provision for licence fee and interest on overdue payments has been made after the date of the alleged termination.



Blue Coast Hotels Ltd.

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- 12 Provision of interest includes an amount of Rs 110.91 Lakh (PY RS 110.91 Lakh) towards the claim of the Concept Design Architect Wimberley Allison Tong & Goo (UK) Ltd. (WATG) which had invoked an arbitration against the Company Silver Resort Hotel India Private Limited, subsidiary company, seeking payment of alleged fees for project drawings not delivered with respect to the Delhi Hotel Project. WATG has filed an Execution Petition (EP) against the Company seeking execution of the award of the Sole Arbitrator. The EP is also pending disposal.
- 13 Other Current Liabilities of Rs 13424.68 Lakh includes Rs 11928.27 Lakh spent by the co-developer on behalf of the Subsidiary Company Silver Resort Hotel India Private Limited for implementing the Delhi Aerocity Hotel Project as per the Agreement
- 14 The Company Golden Joy Hotel India Private Limited, subsidiary company, is in process of setting up a hotel in Amritsar on a plot taken from Punjab Urban Planning and Development Authority (PUDA) on a lease for a period of sixty years. Due to pending pre-construction approvals including building plan, the civil construction could not be commenced resulting in PUDA filing the claims against the Company for Rs 1031.18 Lakh which is not acknowledged and being contested. and in view of the pending litigation, no provision for amounts payable under the concession agreement is made.
- 15 Reconciliation of the net profit for the quarter ended March 31, 2017 under Indian GAAP (Previous GAAP) and Ind AS is as under :

Particulars	Year Ended 31.03.2017
Net Profit for the Quarter/period as per Previous GAAP	(603.32)
Add/(Less) Adjustment for GAAP Differences :	
Actuarial Gain / Loss on defined benefits plan reclassified to OCI	-
Impact of reclassification of Redeemable Preference Shares as Debt as per Ind AS- Provision of cumulative dividend thereon	(415.00)
Net Profit for the year as per Ind As	(1,018.32)

- 16 Reconciliation of Equity as previously reported on account of transition from previous Indian GAAP to Ind AS for the year ended March 31, 2017 is as under :

Particulars	Year Ended 31.03.2017
Equity as on March 31, 2017 as per Previous GAAP	10,600.51
Add/(Less) - Adjustment for GAAP Differences	
Impact of reclassification of Redeemable Preference Shares as Debt as per Ind AS	(4,150.00)
Provision of cumulative dividend thereon	(5,993.47)
Others	12,214.00
Equity as on March 31, 2017 as per Ind AS	12,671.04



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17 Statement of Assets & liabilities			
	Particular	(Audited)	(Audited)
		Year Ended	Year Ended
		31.03.2018	31.03.2017
A	ASSETS		
1	Non - Current Assets		
	Property Plant and Equipment	54,727.69	55,098.79
	Capital Work In Progress	15,776.86	15,960.35
	Other Intangible Assets	180.33	552.19
	Financial Assets :		
	Investments	4,279.37	4,278.25
	Other Non-Current Assets	303.18	118.05
	Non - Current Assets	75,267.43	76,007.63
2	Current Assets		
	Inventories	198.01	302.62
	Financial Assets :		
	Investments	1.65	256.02
	Trade receivables	1,164.58	963.90
	Cash and cash equivalents	941.12	1,022.98
	Other current assets	1,481.07	4,833.77
	Current Assets	3,786.43	7,379.29
	TOTAL ASSETS	79,053.86	83,386.92
B	EQUITY AND LIABILITIES		
1	Equity		
	Equity Share Capital	1,274.85	1,274.85
	Other Equity	11,097.33	11,335.64
	Equity	12,372.18	12,610.49
2	MINORITY INTEREST	8,478.79	8,478.79
3	Non - Current Liabilities		
	Financial Liabilities :		
	Borrowings	4,220.80	4,237.56
	Other Financial liabilities	98.66	98.66
	Long term provisions	132.61	165.08
	Non-Current Liabilities	4,452.07	4,501.30
4	Current Liabilities		
	Financial Liabilities :		
	Borrowings	-	-
	Trade Payables	1,023.79	876.27
	Other Financial liabilities	39,287.03	38,897.82
	Other Current Liabilities	13,424.68	17,996.96
	Provisions	15.33	25.28
	Current Liabilities	53,750.83	57,796.34
	TOTAL EQUITY AND LIABILITIES	79,053.86	83,386.92



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

Sushil Suri
Chairman & Managing Director

Place : New Delhi
Date : 29.05.2018

Blue Coast Hotels Ltd.

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The Spirit of India™



DEWAN & GULATI

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF BLUE COAST HOTELS LIMITED

Report on the Consolidated Ind AS Financial Statements

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

Management’s Responsibility for the Consolidated Ind AS Financial Statements

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

Auditor’s Responsibility

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



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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated loss, consolidated total comprehensive loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

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

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



4. Refer Note 3(iii)
The shareholding held by the Company in Joy Hotel & Resorts Private Limited is pledged with the bank & financial institution which has extended the credit facilities the funds for implementing the Chandigarh hotel project.
5. Refer Note 4 & 20
The outcome of the pending litigation in the subsidiary company Golden Joy Hotel Resort Private Limited with respect to Amritsar Hotel Project may have an impact on investment made by the Company.
6. Refer Note 11(B)
The ownership in equity shares held by Northern Projects Limited, Morgan Ventures Ltd and Praveen Electronics Pvt Ltd and is in dispute and the matter is pending adjudication at different foras.
7. Refer Note 11 (C)
During the year, the tenure for the redemption of cumulative redeemable preference shares of Rs 41,50,00,000/- (Rs Forty One Crore Fifty Lakh) has been extended upto fifteen years i.e. upto the year 2032 pursuant to the resolution passed by way of Postal Ballot Sept 20, 2017 . A minority shareholder has taken an ex-parte order against the above resolution which the company is contesting.
8. Refer Note 17
The Company is contesting the suit filed by the Debenture holder and in view of the pending litigation, no debenture redemption reserve is created.
9. Refer Note 20 (i)
The company has given a guarantee of Rs. 6500 Lakh to Banks/ Financial institutions for loan taken by Joy Hotel Private Limited for setting up a five-star hotel project at Chandigarh which has achieved a One Time Settlement with its secured lenders which had initiated recovery proceedings against it under SARFAESI Act, 2002. Further, the Hon'ble High Court was pleased to stay the auction of the hotel plot by the Estate Office which had resumed it
10. Refer Note 20 (ii)
The financial institution from which the company had taken term loan had also invested in the equity share capital of the subsidiary of the company Silver Resort Hotel India (P) Limited (setting up a five star hotel project near International Airport, Delhi) to the tune of Rs. 8500.00 Lakh. The company had executed Buy-back agreements on joint & several basis with the erstwhile directors. Till the buy back of entire equity is completed, IFCI Limited has a first charge basis on the hotel property at Goa.
11. Refer Note 25
Finance cost includes provision for dividend on cumulative redeemable preference shares for the year. Further in view of the pending litigations; no provision for interest or any other charges has been made on secured borrowings from financial institution, bank and debentures.
12. Refer Note 10
The outcome of the litigations in the subsidiary company may have a material impact on the investments in subsidiary companies in respect of Delhi Aerocity Hotel Project and Amritsar Hotel Project and the investment in Joy Hotel & Resorts Pvt. Ltd for the Chandigarh Hotel Project.
13. Refer Note 11
During the year, the Company Silver Resort Hotel India Private Limited, the subsidiary company, has filed an appeal before the Hon'ble High Court of Delhi challenging the termination of the Development Agreement & Infrastructure Development & Services Agreement. Pursuant to the Arbitral Tribunal Award, DIAL deposited a sum of Rs 76,98,66,102.00 (PY Nil) with the Hon'ble High Court of Delhi in a representative suit



filed by the Unit Holders of the Aerocity Hotel Project. Further, DIAL has also filed a winding up petition against the Company for recovery of Rs 9588.97 Lakh towards the license fee, advance development cost and interest thereon, which was challenged by the Company before the Hon'ble High Court and the Hon'ble High Court was pleased to grant a stay in an appeal filed by the Company against the order of the single judge. Pending the disposal of the Appeals, no provision for licence fee and interest on overdue payments has been made after the date of the alleged termination.

14. Refer Note 12
Provision of interest includes an amount of Rs 110.91 Lakh (PY RS 110.91 Lakh) towards the claim of the Concept Design Architect Wimberley Allison Tong & Goo (UK) Ltd. (WATG) which had invoked an arbitration against the Company Silver Resort Hotel India Private Limited, subsidiary company, seeking payment of alleged fees for project drawings not delivered with respect to the Delhi Hotel Project. WATG has filed an Execution Petition (EP) against the Company seeking execution of the award of the Sole Arbitrator. The EP is also pending disposal.
15. Refer Note 13
Other Current Liabilities of Rs 13424.68 Lakh includes Rs 11928.27 Lakh spent by the co-developer on behalf of the Subsidiary Company Silver Resort Hotel India Private Limited for implementing the Delhi Aerocity Hotel Project as per the Agreement.
16. Refer Note 14
The Company Golden Joy Hotel India Private Limited, subsidiary company, is in process of setting up a hotel in Amritsar on a plot taken from Punjab Urban Planning and Development Authority (PUDA) on a lease for a period of sixty years. Due to pending pre-construction approvals including building plan, the civil construction could not be commenced resulting in PUDA filing the claims against the Company for Rs 1031.18 Lakh which is being contested and in view of the pending litigation, no provision for amounts payable under the concession agreement is made.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report to the extent applicable that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - The consolidated balance sheet, the consolidated Statement of profit and loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.



- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors of the Holding Company and its Indian subsidiaries as on 31st March 2018 taken on record by the Board of Directors of respective companies, none of the directors of the Group companies is disqualified as on 31st March 2018 from being appointed as a director of that company in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group;
- (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) No amount was required to be transferred to the Investor Education and Protection Fund by the Company;

Place: New Delhi
Date: 29-May-2018

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

CA (Dr.) Sumit Gulati
Partner
(Membership No. 082929)

Annexure - A to the Auditors' Report

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies, which are companies incorporated in India.



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

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



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

Place: New Delhi
Date: 29-May-2018

Date: 29.05.2018

To,

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Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai-400051
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Fax No: (022) 26598120
Symbol: BLUECOAST

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Subject: Declaration under Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

DECLARATION

In compliance with the provisions of Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that M/s. Dewan & Gulati, Chartered Accountants (FRN – 03881N), Statutory Auditors of the Company have issued an Audit Report with unmodified opinion on Audited Standalone and Consolidated Financial Results of the Company for the Quarter and Financial Year ended 31st March, 2018.

Kindly take note of the same.

Thanking you.
For Blue Coast Hotels Limited


(Dilip Bhagatani)
Chief Financial Officer

Blue Coast Hotels Ltd.

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