

Blue Coast Hotels Ltd.

415-417, Antriksh Bhawan, 22, K. G. Marg, New Delhi-110001
Tel.: +91 11 23358774-75, Fax: +91 11 23358776
Email : info@bluecoast.in, www.bluecoast.in

Blue Coast
Group of Hotels

Regd. Office: 263 C, Arossim, Cansaulim, Goa-403712, India
Tel.: +91 832 2721234, Fax: +91 832 2721235

CIN No.: L31200GA1992PLC003109

Date: 30/05/2016

To, The Manager BSE Limited	To, The Manager National Stock Exchange Limited
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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 its meeting held on today, the 30th May, 2016 considered and approved the Audited Financial Results for the quarter and twelve months ended 31st March, 2016.

A copy of the Audited Financial Results along with the Audit Report thereon in enclosed herewith.

The above is for your information and record.

Thanking you

For Blue Coast Hotels Limited


Shivam Kumar
Company Secretary

Encl: As above

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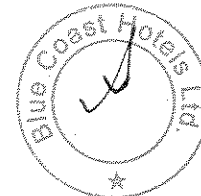


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CIN No.: L31200GA1992PLC003109

BLUE COAST HOTELS LIMITED CIN : L31200GA1992PLC003109 Statement of Standalone Audited Financial Results For The Quarter & Year Ended 31st March, 2016					
Particulars	(Rs. in Lacs)				
	Quarter Ended		Year Ended		
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	
	(Audited)		(Audited)		
1	Income from operations				
	a) Sales / Income from operations	4,051.05	3,463.14	11,543.77	10,665.99
	b) Other Operating income	5.29	4.54	8.95	18.76
	Total Income from operations	4,056.34	3,467.68	11,552.72	10,684.75
2	Expenses				
	a) Cost of Materials consumed	669.94	516.91	1,685.50	1,632.11
	b) Employee benefits expense	588.42	609.03	2,377.74	2,266.42
	c) Power, fuel & light	184.21	171.19	728.18	801.60
	d) Sales & Marketing	273.67	171.68	915.39	816.83
	e) Depreciation	177.06	65.51	605.18	519.17
	f) Other expenses	903.05	978.31	2,950.24	2,613.17
	Total Expenses	2,796.35	2,512.63	9,262.23	8,649.30
3	Profit / (Loss) from Operations before other income, finance cost & exceptional items(1-2)	1,259.99	955.05	2,290.49	2,035.45
4	Other Income/ (Loss)	5.55	10.60	52.44	80.68
5	Profit/ (Loss) from ordinary activities before finance cost & exceptional items (3 +4)	1,265.54	965.65	2,342.93	2,116.13
6a	Finance Cost on operations	163.14	191.00	679.07	758.67
6b	Profit/ (Loss) from ordinary activities before finance cost on investments & exceptional items (5-6a)	1,102.41	774.65	1,663.87	1,357.46
6c	Finance cost on investments	(618.08)	530.47	1,160.00	3,336.49
7	Profit/ (Loss) from ordinary activities after finance cost but before exceptional items (6b-6c)	1,720.49	244.18	503.87	(1,979.03)
8	Exceptional items	-	-	-	-
9	Profit/(Loss) from ordinary activities before tax (7-8)	1,720.49	244.18	503.87	(1,979.03)
10	Tax Expense				
	Income Tax (MAT)	102.73	-	102.73	-
	Less MAT Entitlement	(102.73)	-	(102.73)	-
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	1,720.49	244.18	503.87	(1,979.03)
12	Extraordinary items	-	-	-	-
13	Net Profit / (Loss) for the period (11-12)	1,720.49	244.18	503.87	(1,979.03)
14	Paid -up-Equity Share Capital (face Value of Rs. 10/- per share)	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
15	Reserves excluding Revaluation Reserve	-	-	5,838.98	5,396.28
16	Earning per share (in Rupees)*				
	-Basic & Diluted before extraordinary items	12.69	1.11	0.70	(22.63)
	-Basic & Diluted after extraordinary items	12.69	1.11	0.70	(22.63)

* After considering notional dividend on Preference Shares.



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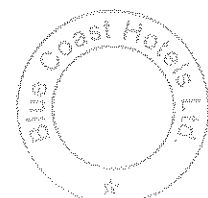
- 1 The above financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors & taken on records at its meeting held on May 30, 2016
- 2 The Company is engaged in only one segment of business i.e. Hotel operations.
- 3 Preference Shareholders are entitled to vote on every resolution placed before the company at any General Meeting of the Company.
- 4 The Secured Lender IFCI Limited had initiated the recovery proceedings and allegedly auctioned the hotel property under the provisions of the SARFAESI Act which was contested by the Company at Hon'ble High Court of Bombay . By the Judgement dated 23.3.2016, the Hon'ble Bombay High Court quashed and set aside the alleged auction sale of property and directed Secured Lender IFCI Limited to refund the sale consideration to auction purchaser ITC Limited. Subsequently, ITC Ltd & IFCI Ltd have approached the Hon'ble Supreme Court against the Bombay High Court judgement whereupon the grant of stay against the order was not accepted. However, it ordered that 'Status Quo' as on 22nd April, 2016 be maintained and further ordered that the amounts paid by ITC Limited in the auction purchase shall remain with the IFCI Ltd until further orders. The hotel property continues to be operated under the brand "Park Hyatt Goa Resort & Spa" & maintained by the Company under its management agreement with Hyatt International.
- 5 The Company has provided for simple interest at contracted rate on term loan from financial institutions.
- 6 The Company is contesting the suit filed by the Debenture holder against its alleged pre-mature recall / redemption of Debentures, interest, redemption premium thereon and non-fulfilment of its other obligations which is pending adjudication. In view of this, no provision for interest or any other charges has been made during the year on Debentures. Finance cost on investments for the quarter includes reversal of interest amounting Rs 900 lacs provided in earlier quarters on Debentures.
- 7 Finance cost on Investments is incurred on investments in companies/ SPV engaged in hotel business.
- 8 The figures for the quarter ended March 31, 2016 and March 31, 2015 are the balancing figures between audited figures in respect of the full financial year and the unaudited published year to date figures upto the third quarter ended December 31, 2015 and December 31, 2014, respectively.
- 9 Statement of Assets and Liabilities as required under Clause 41 of the Listing Agreement is as under :

Particulars		As at	As at
		31.03.2016	31.03.2015
		(Audited)	(Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	a) Share capital	5,424.85	5,424.85
	b) Reserves and Surplus	5,838.98	5,396.28
	Shareholders' funds	11,263.83	10,821.13
2	Non-current liabilities		
	a) Long-term borrowings	2.32	4.65
	b) Other Long term liabilities	98.64	98.64
	c) Long-term provisions	148.58	164.43
	Non-current liabilities	249.54	267.72
3	Current liabilities		
	a) Short-term borrowings	1,018.84	895.87
	b) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	626.07	1,298.00
	Total outstanding dues of other than micro enterprises and small enterprises	33,312.76	31,710.79
	c) Other current liabilities	186.63	18.99
	d) Short-term provisions		
	Current liabilities	35,144.30	33,923.65
	TOTAL EQUITY AND LIABILITIES	46,657.67	45,012.50
B	ASSETS		
1	Non-current assets		
	a) Fixed Assets	17,181.41	17,404.89
	b) Non-current Investments	23,139.23	23,139.23
	c) Long-term loans and advances	565.88	547.08
	Non-current assets	40,886.52	41,091.20
2	Current assets		
	a) Inventories	1,337.58	1,653.40
	b) Trade receivables	572.40	648.64
	c) Cash and cash equivalents	142.98	466.20
	d) Short-term loans and advances	3,718.19	1,153.06
	Current assets	5,771.15	3,921.30
	TOTAL ASSETS	46,657.67	45,012.50

For and on behalf of Board

Place : New Delhi
Date : May 30, 2016


Chairman & Managing Director



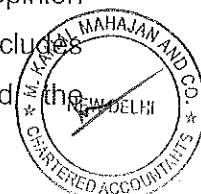
CHARTERED ACCOUNTANTS

Independent Auditors' Report

To The Board of Directors of Blue Coast Hotels Limited

1. We have audited the accompanying statement of Standalone Financial results of **Blue Coast Hotels Limited**, ("the company") for the quarter and year ended March 31, 2016 ("the statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly and annual standalone financial results have been prepared on the basis of standalone financial statements, which is the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone financial results based on our audit of such standalone financial statements, which have been prepared in accordance with Accounting standards notified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the statement. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair representation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the



reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

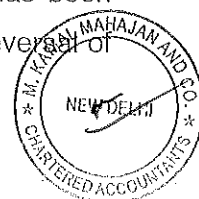
3. In our opinion and to the best of our information and according to the explanations given to us, these standalone quarterly and annual financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and the Disclosure Requirements) Regulations, 2015; and
- (ii) give a true and fair view in conformity with the aforesaid Accounting standards and other accounting principles generally accepted in India of the net loss and other financial information of the Company for the year ended March 31, 2016.

4. **Emphasis of Matter:**

Without qualifying our opinion, we draw attention to the following points:

- (a) Note no. 4 of the statement The Secured Lender IFCI Limited had initiated the recovery proceedings and allegedly auctioned the hotel property under the provisions of the SARFAESI Act which was contested by the Company at Hon'ble High Court of Bombay. By the Judgement dated 23.3.2016, the Hon'ble Bombay High Court quashed and set aside the alleged auction sale of property and directed Secured Lender IFCI Limited to refund the sale consideration to auction purchaser ITC Limited. Subsequently, ITC Ltd & IFCI Ltd have approached the Hon'ble Supreme Court against the Bombay High Court judgement whereupon the grant of stay against the order was not accepted. however, it ordered that 'Status Quo' as on 22nd April, 2016 be maintained and further ordered that the amounts paid by ITC Limited in the auction purchase shall remain with the IFCI Ltd until further orders. The hotel property continues to be operated under the brand "Park Hyatt Goa Resort & Spa" & maintained by the Company under its management agreement with Hyatt International.
- (b) Note no. 5 of the statement: The Company has provided for simple interest at contracted rate on term loans from financial institutions.
- (c) Note no. 6 of the statement The Company is contesting the suit filed by the Debenture holder against its alleged pre-mature recall / redemption of Debentures, interest, redemption premium thereon and non-fulfilment of its other obligations which is pending adjudication. In view of this, no provision for interest or any other charges has been made during the year on Debentures. Finance cost on investments includes reversal of interest amounting Rs 900 lacs provided in earlier quarters on Debenture.



- (d) The appropriateness of assumption of going concern is dependent upon realization of the various initiatives undertaken by the company, outcome of court cases and / or the company's ability to raise requisite finance / generate cash flows in future to meet its obligations including financial support to its subsidiary companies.
5. The statement includes the results for the Quarter ended March 31 2016, being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the current financial year.

For M. Kamal Mahajan and Co.
Chartered Accountants
(Firm Regn No. 006855N)



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

Place: New Delhi
Date: May 30, 2016

Blue Coast Hotels Ltd.

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FORM A**Auditors' Report – Regulation 33 (d) of the
SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015**

1	Name of the company	Blue Coast Hotels Limited
2	Annual financial statements for the year ended	31 st March 2016 (standalone)
3	Type of Audit observation	Emphasis of matter
4	Frequency of observation	(a) Note no. 4 of the statement The Secured Lender IFCI Limited had initiated the recovery proceedings and allegedly auctioned the hotel property under the provisions of the SARFAESI Act which was contested by the Company at Hon'ble High Court of Bombay. By the Judgement dated 23.3.2016, the Hon'ble Bombay High Court quashed and set aside the alleged auction sale of property and directed Secured Lender IFCI Limited to refund the sale consideration to auction purchaser ITC Limited. Subsequently, ITC Ltd & IFCI Ltd



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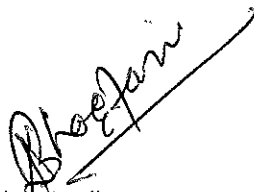
		<p>have approached the Hon'ble Supreme Court against the Bombay High Court judgement whereupon the grant of stay against the order was not accepted. however, it ordered that 'Status Quo' as on 22nd April, 2016 be maintained and further ordered that the amounts paid by ITC Limited in the auction purchase shall remain with the IFCI Ltd until further orders. The hotel property continues to be operated under the brand "Park Hyatt Goa Resort & Spa" & maintained by the Company under its management agreement with Hyatt International.</p> <p>(b) Note no. 5 of the statement: The Company has provided for simple interest at contracted rate on term loans from financial institutions.</p> <p>(c) Note no. 6 of the statement The Company is contesting the suit filed by the Debenture holder against its alleged pre-mature recall / redemption of Debentures, interest, redemption premium thereon and non-fulfilment of its other obligations which is pending adjudication. In view of this, no provision for</p>
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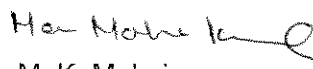
		<p>interest or any other charges has been made during the year on Debentures. Finance cost on investments includes reversal of interest amounting Rs 900 lacs provided in earlier quarters on Debenture.</p> <p>(d) The appropriateness of assumption of going concern is dependent upon realization of the various initiatives undertaken by the company, outcome of court cases and / or the company's ability to raise requisite finance / generate cash flows in future to meet its obligations including financial support to its subsidiary companies</p>
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For Blue Coast Hotels Limited


 (Sushil Suri)
 Chairman & Managing Director


 (Dilip Bhagtani)
 Chief Financial Officer

For M. Kamal Mahajan and Co.
 Chartered Accountants
 (Registration No. 006855N)


 M. K. Mahajan
 Partner
 Membership No. 017418




 (Seema Joshi)
 Audit Committee Chairman

New Delhi,
 May 30, 2016

Blue Coast Hotels Ltd.

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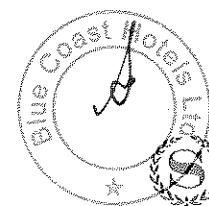
CIN No.: L31200GA1992PLC003109

BLUE COAST HOTELS LIMITED			
CIN : L31200GA1992PLC003109			
Statement of Consolidated Audited Financial Results			
For The Quarter & Year Ended 31st March, 2016			
Particulars	Year Ended		(Audited)
	31.03.2016	31.03.2015	
	1	Income from operations	
	a) Sales / Income from operations	11,543.78	10,665.99
	b) Other Operating income	8.95	18.76
	Total Income from operations	11,552.73	10,684.75
2	Expenses		
	a) Cost of Materials consumed	1,685.51	1,632.10
	b) Employee benefits expense	2,377.74	2,266.44
	c) Power, fuel & light	728.18	801.60
	d) Sales & Marketing	915.39	816.83
	e) Depreciation	605.18	519.16
	f) Other expenses	2,951.54	2,614.53
	Total Expenses	9,263.54	8,650.66
3	Profit / (Loss) from Operations before other income, finance cost & exceptional items(1-2)	2,289.19	2,034.09
4	Other Income/ (Loss)	52.45	80.68
5	Profit/ (Loss) from ordinary activities before finance cost & exceptional items (3 +4)	2,341.64	2,114.77
6a	Finance Cost on operations	679.07	758.67
6b	Profit/ (Loss) from ordinary activities before finance cost on investments & exceptional items (5-6a)	1,662.57	1,356.10
6c	Finance cost on investments	1,160.00	3,336.49
7	Profit/ (Loss) from ordinary activities after finance cost but before exceptional items (6b-6c)	502.57	(1,980.39)
8	Exceptional items	-	-
9	Profit/(Loss) from ordinary activities before tax (7-8)	502.57	(1,980.39)
10	Tax Expense		
	Income Tax (MAT)	102.73	-
	MAT Entitlement	(102.73)	-
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	502.57	(1,980.39)
12	Extraordinary items		
13	Net Profit / (Loss) for the period (11-12)	502.57	(1,980.39)
14	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
15	Reserves excluding Revaluation Reserve	5,779.00	5,337.60
16	Earning per share (in Rupees)*		
	-Basic & Diluted before extraordinary items	0.69	(22.47)
	-Basic & Diluted after extraordinary items	0.69	(22.47)

* After considering notional dividend on Preference Shares.

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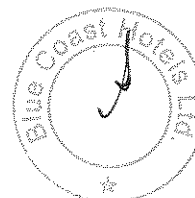
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- 1 The above financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors & taken on records at its meeting held on May 30, 2016
- 2 The Company and its subsidiaries are engaged in only one segment of business i.e. Hotel operations.
- 3 Preference Shareholders are entitled to vote on every resolution placed before the company at any General Meeting of the Company.
- 4 The Secured Lender IFCI Limited had initiated the recovery proceedings and allegedly auctioned the hotel property under the provisions of the SARFAESI Act which was contested by the Company at Hon'ble High Court of Bombay . By the Judgement dated 23.3.2016, the Hon'ble Bombay High Court quashed and set aside the alleged auction sale of property and directed Secured Lender IFCI Limited to refund the sale consideration to auction purchaser ITC Limited. Subsequently, ITC Ltd & IFCI Ltd have approached the Hon'ble Supreme Court against the Bombay High Court judgement whereupon the grant of stay against the order was not accepted, however, it ordered that 'Status Quo' as on 22nd April, 2016 be maintained and further ordered that the amounts paid by ITC Limited in the auction purchase shall remain with the IFCI Ltd until further orders. The hotel property continues to be operated under the brand "Park Hyatt Goa Resort & Spa" & maintained by the Company under its management agreement with Hyatt International.
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- 6 The Company is contesting the suit filed by the Debenture holder against its alleged pre-mature recall / redemption of Debentures, interest, redemption premium thereon and non-fulfilment of its other obligations which is pending adjudication. In view of this, no provision for interest or any other charges has been made during the year on Debentures. Finance cost on investments for the quarter includes reversal of interest amounting Rs 900 lacs provided in earlier quarters on Debentures.
- 7 Finance cost on Investments is incurred on investments in companies/ SPV engaged in hotel business.
- 8 Silver Resort Hotel India Private Limited, subsidiary company, has invoked an Arbitration to settle the alleged termination notice terminating the Development Agreement & Infrastructure Development & Services Agreement, disputed amounts in respect of Licence Fee, Advance Development Cost & interest thereon due to plot being not available for an immediate development, security concerns, pending pre-construction approvals etc. The Company has deposited a sum of Rs 550 Lacs with the Hon'ble High Court of Delhi to demonstrate its bonafide against the alleged demand of Rs 61,26,71,384/- stated in the termination letter . The Hon'ble High Court was pleased to order that DIAL should refrain from taking any further precipitate action. Subsequently, the matter was referred to the Arbitral Tribunal with directions that interim order shall continue till otherwise varied by the Arbitral Tribunal. During the year, the Company has also received a Statutory Notice from DIAL requiring it to pay the dues towards licence fees, advance development cost & interest thereon which is being disputed by the Company. The Arbitration proceedings are pending adjudication. DIAL has filed a Petition for the winding up of the Company before High Court of Bombay at Goa The case is pending adjudication. In view of above, the Claim by DIAL for interest is not provided during the year. The hotel project is under implementation and all expenses thereon have been capitalised
- 9 Golden Joy Hotel 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 which are being contested. The demand raised by PUDA contains guarantee fee of Rs. 500 Lacs, non construction fee and for loss of share of revenue. The case is pending adjudication. The hotel project is under implementation and all expenses thereon have been capitalised

10 Statement of Assets and Liabilities as required under Clause 41 of the Listing Agreement is as under :

Particulars		As at 31.03.2016	As at 31.03.2015
		(Audited)	(Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	a) Share capital	5,424.85	5,424.85
	b) Reserves and Surplus	5,779.00	5,337.60
	Shareholders' funds	11,203.85	10,762.45
2	Minority Interest	8,478.79	8,478.79
3	Non-current liabilities		
	a) Long-term borrowings	2.32	4.65
	b) Other Long term liabilities	98.64	98.66
	c) Long-term provisions	148.58	164.43
	Non-current liabilities	249.54	267.74
4	Current liabilities		
	a) Short-term borrowings	1,018.84	895.87
	b) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues of other than micro enterprises and small	721.01	1,348.77
	c) Other current liabilities	54,655.42	49,520.09
	d) Short-term provisions	186.62	18.99
	Current liabilities	56,581.89	51,783.72

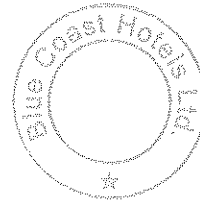


	TOTAL EQUITY AND LIABILITIES	76,514.07	71,292.70
B	ASSETS		
1	Non-current assets		
	a) Fixed Assets	63,671.23	61,591.48
	b) Non-current Investments	4,278.23	4,278.23
	c) Long-term loans and advances	564.65	543.83
	Non-current assets	68,514.12	66,413.54
2	Current assets		
	a) Current Investments	701.31	-
	b) Inventories	1,337.59	1,653.40
	c) Trade receivables	572.40	648.64
	d) Cash and cash equivalents	150.36	471.67
	e) Short-term loans and advances	5,237.34	2,104.85
	f) Other current assets	0.95	0.60
	Current assets	7,999.95	4,879.16
	TOTAL ASSETS	76,514.07	71,292.70

For and on behalf of Board

Place : New Delhi
Date : May 30, 2016

[Signature]
Chairman & Managing Director



CHARTERED ACCOUNTANTS

Independent Auditors' Report

To The Board of Directors Of Blue Coast Hotels Limited

1. We have audited the accompanying statement of Consolidated Financial results of **Blue Coast Hotels Limited**, ("the company") and its subsidiaries(the Company and its subsidiaries together referred to as 'the Group'), for the year ended March 31, 2016 ('the statement'), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.These annual consolidated financial results have been prepared on the basis of consolidated financial statements, which is the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements, which have been prepared in accordance with the Accounting standards notified under Section 133 of the Companies Act, 2013, read with rule 7 of the companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statements are free from material misstatement(s).

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the statements. The procedures selected depend on the auditors' judgement, including the assessment of the risk of material misstatement of the statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair representation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the statement.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the statement:

(i) includes the financial results for the year ended March 31, 2016 of the following entities:

- Blue Coast Hotels Limited
- Silver Resort Hotel India Private Limited
- Golden Joy Hotel Private Limited
- Blue Coast Hospitality Limited

(ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and the Disclosure Requirements) Regulations, 2015; and

(iii) give a true and fair view in conformity with the aforesaid Accounting standards and other accounting principles generally accepted in India of the consolidated net loss and other financial information of the Group for the year ended March 31, 2016.

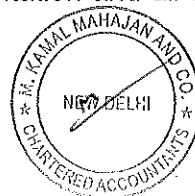
4. **Emphasis of Matter:**

Without qualifying our opinion, we draw attention to the following points:

(a) Note no. 4 of the statement The Secured Lender IFCI Limited had initiated the recovery proceedings and allegedly auctioned the hotel property under the provisions of the SARFAESI Act which was contested by the Company at Hon'ble High Court of Bombay. By the Judgement dated 23.3.2016, the Hon'ble Bombay High Court quashed and set aside the alleged auction sale of property and directed Secured Lender IFCI Limited to refund the sale consideration to auction purchaser ITC Limited. Subsequently, ITC Ltd & IFCI Ltd have approached the Hon'ble Supreme Court against the Bombay High Court judgement whereupon the grant of stay against the order was not accepted. however, it ordered that 'Status Quo' as on 22nd April, 2016 be maintained and further ordered that the amounts paid by ITC Limited in the auction purchase shall remain with the IFCI Ltd until further orders. The hotel property continues to be operated under the brand "Park Hyatt Goa Resort & Spa" & maintained by the Company under its management agreement with Hyatt International.



- (b) Note No. 5 of the Statement: The Company has provided for simple interest at contracted rate on term loan from financial institution.
- (c) Note no. 6 of the Statement: The Company is contesting the suit filed by the Debenture holder against its alleged pre-mature recall / redemption of Debentures, interest, redemption premium thereon and non-fulfilment of its other obligations which is pending adjudication. In view of this, no provision for interest or any other charges has been made during the year on Debentures. Finance cost on investments includes reversal of interest amounting Rs 900 lacs provided in earlier quarters on Debenture
- (d) Note No. 8 of the Statement: Silver Resort Hotel India Private Limited, subsidiary company, has invoked an Arbitration to settle the alleged termination notice terminating the Development Agreement & Infrastructure Development & Services Agreement, disputed amounts in respect of License Fee, Advance Development Cost & interest thereon due to plot being not available for an immediate development, security concerns, pending pre-construction approvals etc. The Company has deposited a sum of Rs 550 Lacs with the Hon'ble High Court of Delhi to demonstrate its bonafide against the alleged demand of Rs 61,26,71,384/- stated in the termination letter. The Hon'ble High Court was pleased to order that DIAL should refrain from taking any further precipitate action. Subsequently, the matter was referred to the Arbitral Tribunal with directions that interim order shall continue till otherwise varied by the Arbitral Tribunal. During the year, the Company has also received a Statutory Notice from DIAL requiring it to pay the dues towards license fees, advance development cost & interest thereon which is being disputed by the Company. The Arbitration proceedings are pending adjudication. DIAL has filed a Petition for the winding up of the Company before High Court of Bombay at Goa The case is pending adjudication. In view of above, the Claim by DIAL for interest is not provided during the year. The hotel project is under implementation and all expenses thereon have been capitalized
- (e) Note No. 9 of the Statement: Golden Joy Hotel 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 which are being contested. The demand raised by PUDA contains guarantee fee of Rs. 500 Lacs, non-construction fee and for loss of share of revenue. The case is pending adjudication. The hotel project is under implementation and all expenses thereon have been capitalized.



- (f) The appropriateness of assumption of going concern is dependent upon realization of the various initiatives undertaken by the holding company, outcome of court cases and / or the holding company's ability to raise requisite finance / generate cash flows in future to meet its obligations including financial support to its subsidiary companies.

For M. Kamal Mahajan and Co.
Chartered Accountants
(Firm Regn No. 006855N)

Place: New Delhi
Date: May 30, 2016



M.K. Mahajan

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

Blue Coast Hotels Ltd.

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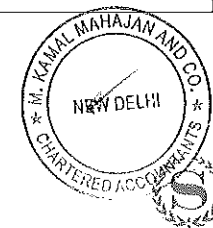
CIN No.: L31200GA1992PLC003109

FORM A

Auditors' Report – Regulation 33 (d) of the
SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015

1	Name of the company	Blue Coast Hotels Limited
2	Annual financial statements for the year ended	31 st March 2016 (Consolidated)
3	Type of Audit observation	Emphasis of matter
4	Frequency of observation	(a) Note no. 4 of the statement The Secured Lender IFCI Limited had initiated the recovery proceedings and allegedly auctioned the hotel property under the provisions of the SARFAESI Act which was contested by the Company at Hon'ble High Court of Bombay. By the Judgement dated 23.3.2016, the Hon'ble Bombay High Court quashed and set aside the alleged auction sale of property and directed Secured Lender IFCI Limited to refund the sale consideration to auction purchaser ITC Limited. Subsequently, ITC Ltd & IFCI Ltd have approached the Hon'ble Supreme Court against the Bombay High Court judgement whereupon the grant of stay against the order was not accepted. however, it ordered that 'Status Quo' as on

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Sheraton[®]
Chandigarh

The Spirit of India™

		<p>22nd April, 2016 be maintained and further ordered that the amounts paid by ITC Limited in the auction purchase shall remain with the IFCI Ltd until further orders. The hotel property continues to be operated under the brand "Park Hyatt Goa Resort & Spa" & maintained by the Company under its management agreement with Hyatt International.</p> <p>(b) Note No. 5 of the Statement: The Company has provided for simple interest at contracted rate on term loan from financial institution.</p> <p>(c) Note no. 6 of the Statement: The Company is contesting the suit filed by the Debenture holder against its alleged pre-mature recall / redemption of Debentures, interest, redemption premium thereon and non-fulfilment of its other obligations which is pending adjudication. In view of this, no provision for interest or any other charges has been made during the year on Debentures. Finance cost on investments includes reversal of interest amounting Rs 900 lacs provided in earlier quarters on Debenture</p> <p>(d) Note No. 8 of the Statement: Silver Resort Hotel India Private Limited, subsidiary company, has invoked an Arbitration to settle the alleged termination notice terminating the Development Agreement & Infrastructure Development & Services Agreement, disputed amounts in respect of License Fee, Advance Development Cost</p>
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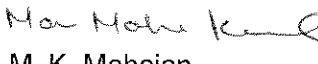
For Blue Coast Hotels Limited


 (Sushil Suri)
 Chairman & Managing Director


 (Dilip Bhagtahi)
 Chief Financial Officer

New Delhi,
 May 30, 2016

For M. Kamal Mahajan and Co.
 Chartered Accountants
 (Registration No. 006855N)


 M. K. Mahajan
 Partner
 Membership No. 017418


 (Seema Joshi)
 Audit Committee Chairman

