

Date: 26/05/2017

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),

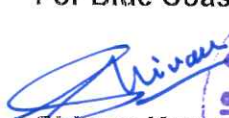
In compliance with the requirement of regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors of the Company in its adjourned meeting held on today, the 26th May, 2017 considered and approved the standalone and consolidated Audited Financial Results for the quarter and financial year ended 31st March, 2017.


A copy of the Audited Financial Results along with the Auditor's 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

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, 2017

Particulars		(Rs. in Lakhs)				
		Quarter Ended			Year Ended	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		(Audited) (Refer Note 8)	(Unaudited)	(Audited) (Refer Note 8)	(Audited)	
1	a) Revenue from operations	4,235.54	4,307.04	4,056.34	13,265.90	11,552.72
	b) Other Income	59.16	19.65	5.55	113.26	52.44
	Total Income from operations	4,294.70	4,326.69	4,061.89	13,379.16	11,605.16
2	Expenses					
	a) Cost of Materials consumed	1,227.88	813.29	669.94	2,710.35	1,685.50
	b) Employee benefits expense	622.56	679.52	588.42	2,599.69	2,377.74
	c) Power, fuel & light	198.04	201.36	184.21	790.60	728.18
	e) Finance Cost on operations	164.74	159.91	163.14	649.49	679.07
	f) Finance cost on investments	931.03	292.38	(618.08)	1,805.00	1,160.00
	g) Sales & Marketing	264.27	295.14	273.67	989.45	915.39
	h) Depreciation	171.75	165.54	177.06	663.01	605.18
	i) Other expenses	1,448.80	1,040.68	903.05	3,835.49	2,950.24
	Total Expenses	5,029.07	3,647.81	2,341.41	14,043.08	11,101.30
3	Profit before Exceptional & Extraordinary items(1-2)	(734.37)	1,114.44	1,720.48	(663.92)	503.86
4	Exceptional Items - Income/(Expenditure)	-	-	-	-	-
5	Profit before Extraordinary items(3-4)	(734.37)	1,114.44	1,720.48	(663.92)	503.86
6	Extraordinary Items - Income/(Expenditure)	-	-	-	-	-
7	Profit/ (Loss) before Tax	(734.37)	1,114.44	1,720.48	(663.92)	503.86
8	Income Tax					
	<u>Income Tax - Current Period</u>					
	Tax Expenses	-	13.42	102.73	-	102.73
	Less MAT Credit Entitlement	-	(13.42)	(102.73)	-	(102.73)
	<u>Income Tax - Prior Period</u>					
	Tax Expenses	61.13	-	-	61.13	-
9	Net Profit/(Loss) for the period (7-8)	(673.24)	1,114.44	1,720.48	(602.79)	503.86
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	5,838.98
12	Earning per share (in Rupees)*					
	-Basic & Diluted before extraordinary items	(5.19)	4.50	12.69	(7.98)	0.70
	-Basic & Diluted after extraordinary items	(5.19)	4.50	12.69	(7.98)	0.70

* After considering notional dividend on Preference Shares.

- 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 26, 2017
- 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 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. In view of the litigation, Neither provision for interest or redemption premium is made nor Debenture Redemption Reserve is created.
- 5 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 the 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 under management agreement with Hyatt International.

No provision for interest or any other charges has been made during the year on debentures pending litigation and recovery proceedings Further, the Interest on term loan from financial institution is provided at simple contracted rate of interest.




Blue Coast Hotels Ltd.

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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, 2017 and March 31, 2016 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, 2016 and December 31, 2015 respectively

9 Statement of Assets and Liabilities :

Particulars		(Rs. in Lakhs)	
		As at 31.03.2017	As at 31.03.2016
		(Audited)	(Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	a) Share capital	5,424.85	5,424.85
	b) Reserves and Surplus	5,236.19	5,838.98
	Shareholders' funds	10,661.04	11,263.83
2	Non- current liabilities		
	a) Long-term borrowings	87.56	2.32
	b) Other Long term liabilities	98.66	98.64
	c) Long-term provisions	165.08	148.58
	Non-current liabilities	351.30	249.54
3	Current liabilities		
	a) Short-term borrowings	1,122.55	1,018.84
	b) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues of other than micro enterprises and small enterprises	872.02	626.07
	c) Other current liabilities	35,095.94	33,312.76
	d) Short-term provisions	25.28	186.63
	Current liabilities	37,115.79	35,144.30
	TOTAL EQUITY AND LIABILITIES	48,128.13	46,657.67
B	ASSETS		
1	Non- current assets		
	a) Fixed Assets	17,066.18	17,181.41
	b) Non-current Investments	23,139.25	23,139.23
	c) Long-term loans and advances	575.14	565.88
	Non-current assets	40,780.57	40,886.52
2	Current assets		
	a) Current Investments	250.00	-
	b) Inventories	302.62	1,337.58
	c) Trade receivables	963.90	572.40
	d) Cash and cash equivalents	1,007.92	142.98
	e) Short-term loans and advances	4,823.12	3,718.19
	Current assets	7,347.56	5,771.15
	TOTAL ASSETS	48,128.13	46,657.67

For and on behalf of Board

Place : New Delhi
Date : May 26, 2017




Chairman & Managing Director

Blue Coast Hotels Ltd.

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Independent Auditors' Report

To The Board of Directors Of Blue Coast Hotels Limited

1. We have audited the accompanying Standalone Financial results of **Blue Coast Hotels Limited**, ("the company") for the quarter and year ended 31st March 2017 ('the statement'), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended 31st March 2017 and the corresponding quarter ended in the previous year as reported in these standalone financial results are the balancing figures 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 and previous financial year respectively. Also, the figure up to the end of the third quarter of the respective financial year had only been reviewed and not subjected to an audit.
2. 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 the recognition and measurement principles laid down in Accounting standards notified under Section 133 of the Companies Act, 2013, read with relevant rules issued there under and other accounting principles generally accepted in India.
3. 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. 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.

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results as well as the year to date 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 quarter ended 31st March 2017 as well as the year to date results for the period 1 April 2016 to 31st March 2017.

5. **Emphasis of Matter**

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

- i. Note no. 4 to the financial results regarding no provision for interest or any other charges has been made by the company on debentures pending litigation and recovery proceedings since 1st April 2015. Further the interest on term loan from financial institution is provided at simple contracted rate of interest since 1st April 2015.
- ii. Note no. 5 to the financial results regarding 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 Judgment dated 23.03.2016, 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 judgment whereupon the grant of stay against the order was not accepted. The Hon'ble Supreme Court ordered '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 under management agreement with Hyatt International.
- iii. In view of above, the 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 flow in future to meet its obligations including financial support to its subsidiary companies.

For M Kamal Mahajan & Co. LLP
Chartered Accountants
(Firm Regn. No. 006855N/N500061)

Man Mohan K...

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

Place : New Delhi
Date : 26th May 2017



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 (Standalone)	31 st March 2017 (Standalone)
3	Type of Audit observation	Emphasis of matter
4	Frequency of observation	<p>i. Note no. 4 to the financial statements regarding no provision for interest or any other charges has been made by the company on debentures pending litigation and recovery proceedings since 1st April 2015. Further the interest on term loan from financial institution is provided at simple contracted rate of interest since 1st April 2015.</p> <p>ii. Note no. 5 to the financial statements regarding the secured lender IFCI Limited had initiated the recovery proceedings and allegedly auctioned the hotel property under the provisions of the</p>



		<p>SARFAESI Act which was contested by the Company at Hon'ble High Court of Bombay. By the Judgment dated 23.03.2016, 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 judgment whereupon the grant of stay against the order was not accepted. the Hon'ble Supreme Court 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 under management agreement with Hyatt International.</p> <p>iii. In view of the above, the assumption of going concern is dependent upon realization of the various initiatives undertaken by the company, outcome of court</p>
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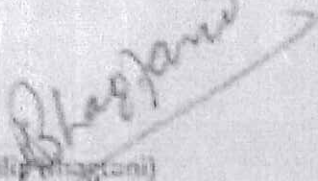
cases and/or the company's ability to raise requisite finance / generate cash flows in future to meet its obligations including financial support to its subsidiary companies.

For Blue Coast Hotels Limited

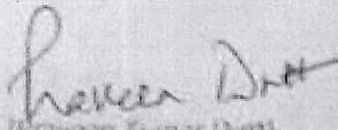
For M Kamal Mahajan & Co. LLP
Chartered Accountants
(Firm Regn. No. 006855N/N500061)



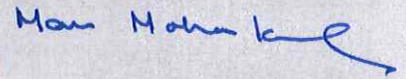
(Sushil Suri)
Chairman & Managing Director



(Dilip Bhargava)
Chief Financial Officer



(Praveen Kumar Dutt)
Audit Committee Chairman



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

New Delhi,
May 26, 2017

BLUE COAST HOTELS LIMITED			
CIN : L31200GA1992PLC003109			
Statement of Consolidated Audited Financial Results			
For the year ended March 31, 2017			
Particulars	Year Ended		(Audited)
	31.03.2017	31.03.2016	
	1	Revenue from operations	
	a) Revenue from operations	13,265.90	11,552.73
	b) Other Income	113.26	52.45
	Total Income from operations	13,379.16	11,605.18
2	Expenses		
	a) Cost of Materials consumed	2,710.35	1,685.51
	b) Employee benefits expense	2,599.69	2,377.74
	c) Power, fuel & light	790.60	728.18
	e) Finance Cost on operations	649.49	679.07
	f) Finance cost on investments	1,805.00	1,160.00
	g) Sales & Marketing	989.45	915.39
	h) Depreciation	663.01	605.18
	i) Other expenses	3,836.08	2,951.54
	Total Expenses	14,043.67	11,102.61
3	Profit before Exceptional & Extraordinary items(1-2)	(664.51)	502.57
4	Exceptional Items - Income/(Expenditure)	-	-
5	Profit before Extraordinary items(3-4)	(664.51)	502.57
6	Extraordinary Items - Income/(Expenditure)	-	-
7	Profit/ (Loss) before Tax	(664.51)	502.57
8	Income Tax		
	<u>Income Tax - Current Period</u>		
	Tax Expenses	-	102.73
	Less MAT Credit Entitlement	-	(102.73)
	<u>Income Tax - Prior Period</u>		
	Tax Expenses	61.17	
9	Net Profit /(Loss) for the period (7-8)	(603.34)	502.57
10	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
11	Reserves excluding Revaluation Reserve	5,175.66	5,779.00
12	Earning per share (in Rupees)*		
	-Basic & Diluted before extraordinary items	(7.99)	0.69
	-Basic & Diluted after extraordinary items	(7.99)	0.69

* After considering notional dividend on Preference Shares.

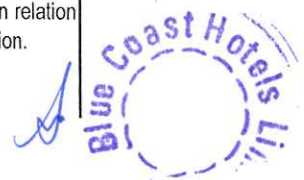
- The above financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors & taken on records at its meeting held on May 26, 2017
- The Company and its subsidiaries are engaged in only one segment of business i.e. Hotel operations.
- Preference Shareholders are entitled to vote on every resolution placed before the company at any General Meeting of the Company.
- The Company is contesting the suit filed by the Debenture holder against alleged pre-mature recall / redemption of Debentures, disputed / default interest & redemption premium thereon and non-fulfilment of its other obligations which is pending adjudication. In view of the litigation, Neither provision for interest or redemption premium is made nor Debenture Redemption Reserve is created



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- 5 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. 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 under management agreement with Hyatt International.
- 6 No provision for interest or any other charges has been made during the year on debentures pending litigation and recovery proceedings. Further, the interest on term loan from financial institution is provided at simple contracted rate of interest.
- 7 During the preceding financial year, the allotment of hotel plot was allegedly terminated by DIAL by terminating Development Agreement & Infrastructure Development & Services Agreement due to non-payment of disputed amounts in respect of licence fees, advance development cost and interest thereon. The Company invoked an arbitration to settle the dispute with DIAL due to plot not being available for an immediate development, security concerns, pending pre-construction approvals etc. During the year, the Hon'ble Arbitral Tribunal allowed the release of deposit of Rs 550 Lakhs with Hon'ble High Court of Delhi and also passed an interim order that the creation of any third party rights by DIAL in respect of the hotel plot shall be subject to the outcome of the final award which is awaited. Separately, DIAL had filed a winding up petition against the Company which was challenged by the Company 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 Arbitral Award and Order of Hon'ble High Court, no provision for licence fee and interest on overdue payments after the date of the alleged termination.
- 8 Other payables includes the amount received and amount spent by Co-developer on behalf of the Company for implementing the hotel project at Delhi amounting to Rs 15639.46 Lakhs. The Company had entered into a Joint Development Agreement (JDA) in the year 2010 for co-developing, financing, marketing, leasing & sub-leasing of the commercial area within the hotel. The Company was required to obtain the pre-construction approvals and the co-developer was required to provide the construction linked payments and share the project surplus. Based on the (JDA), the co-developer booked the commercial space within the hotel and executed Space Agreement & Assured Return Agreement with various unit holders. The Company is a confirming party to the agreements executed with various unit holders. Due to delayed implementation of the hotel project and alleged termination of the hotel plot of land by DIAL, the Company and the Co-developer have entered into an amendment agreement during the year to redefine their obligations. Under the amended agreement, the consideration for the booking of the commercial space will continue to be maintained by the co-developer and the co-developer had sought the reimbursement of the project expenditure incurred in relation to the Delhi Hotel Project to the Company. The Co-developer will continue to contest the cases filed by the various unit holders and defend itself and the company in various litigations initiated by the Unit holders. Any amounts including but not limited to legal charges, incidental expenses, claims of the unit holders required to be paid by the co-developer will be reimbursed by the Company to the Co-developer. During the year, the Co-developer has submitted an account to the Company for an amount spent of Delhi Hotel Project amounting to Rs 7938.42 Lakhs upto March 31, 2017 and the same is acknowledged by the Company. The said amount has been allocated in the Schedule of Fixed Assets under the various accounting heads of Capital Works in Progress.
- 9 The Hotel Plot has been allegedly terminated by DIAL and the Company has invoked an arbitration. The investment in fixed assets by the company is subject to the outcome of the arbitration award which is awaited.
- 10 During the year, the Company has entered into an Amendment Agreement to the Joint Development Agreement with the Co-developer and pursuant to this Agreement, the Co-developer has transferred the expenditure incurred by it in relation to the Delhi Hotel Project and the same is shown under the head "Capital works in Progress" pending reconciliation.



- 11 The company was 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 Lakhs alongwith an interest which is being contested.
- 12 Finance cost on Investments is incurred on investments in companies/ SPV engaged in hotel business.
- 13 The figures for the quarter ended March 31, 2017 and March 31, 2016 are the balancing figures between audited figures in respect of the full financial year.
- 14 Statement of Assets and Liabilities :

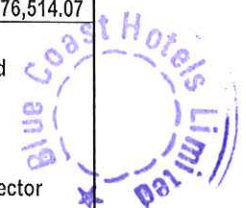
Particulars		As at 31.03.2017	As at 31.03.2016
		(Audited)	(Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	a) Share capital	5,424.85	5,424.85
	b) Reserves and Surplus	5,175.66	5,779.00
	Shareholders' funds	10,600.51	11,203.85
2	MINORITY INTEREST	8,478.79	8,478.79
3	Non-current liabilities		
	a) Long-term borrowings	87.56	2.32
	b) Other Long term liabilities	98.66	98.64
	c) Long-term provisions	165.08	148.58
	Non-current liabilities	351.30	249.54
4	Current liabilities		
	a) Short-term borrowings	1,122.55	1,018.84
	b) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues of other than micro enterprises and small enterprises	876.27	721.01
	c) Other current liabilities	61,932.22	54,655.42
	d) Short-term provisions	25.28	186.62
	Current liabilities	63,956.32	56,581.89
	TOTAL EQUITY AND LIABILITIES	83,386.92	76,514.07
B	ASSETS		
1	Non-current assets		
	a) Fixed Assets	71,611.33	63,671.23
	b) Non-current Investments	4,278.25	4,278.23
	c) Long-term loans and advances	118.05	564.66
	Non-current assets	76,007.63	68,514.12
2	Current assets		
	a) Current Investments	256.02	701.31
	b) Inventories	302.62	1,337.59
	c) Trade receivables	963.90	572.40
	d) Cash and cash equivalents	1,022.98	150.36
	e) Short-term loans and advances	4,833.62	5,237.34
	f) Other current assets	0.15	0.95
	Current assets	7,379.29	7,999.95
	TOTAL ASSETS	83,386.92	76,514.07



Place : New Delhi
Date : May 26, 2017

For and on behalf of Board

Chairman & Managing Director





Independent Auditors' Report

To The Board of Directors Of Blue Coast Hotels Limited

1. We have audited the accompanying Consolidated Financial results of **Blue Coast Hotels Limited**, (herein after referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the year ended 31st March, 2017 ("the statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. These annual consolidated financial results have been prepared on the basis of consolidated financial statements, which is the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial results, which have been prepared in accordance with the Accounting standards notified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India.
3. 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 statements. 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. 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.

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

(i) includes the consolidated financial results of the Group for the year ended 31st March 2017 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 31st March 2017.

Emphasis of Matter

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

- a. Note no. 4 to the financial results regarding no provision for interest or any other charges has been made by the company on debentures pending litigation and recovery proceedings since 1st April 2015. Further the interest on term loan from financial institution is provided at simple contracted rate of interest since 1st April 2015.
- b. Note no. 5 to the financial results regarding 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 Judgment 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 judgment whereupon the grant of stay against the order was not accepted. The Hon'ble Supreme Court 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 under management agreement with Hyatt International.
- c. Note no. 6 to the financial results regarding no provision for interest or any other charges has been made by the company on debentures pending litigation and recovery proceedings since 1st April 2015. Further the interest on term loan from financial institution is provided at simple contracted rate of interest since 1st April 2015.
- d. Note no. 7 & 9 to the financial results whereby the Company has invoked an arbitration to settle the dispute with (Delhi International Airport Private Limited) DIAL wherein the outcome of the award is awaited. Further, DIAL has filed a winding up petition against the Company and the matter is pending before the Hon'ble High Court. The realization of the investment in fixed assets of Rs 54087.90 lakhs by the company is subject to the outcome of the above cases.
- e. Note no.8 & 10 to the financial results whereby during the year the Company and the Co-developer have entered into an amendment agreement to the Joint Development Agreement (JDA) to redefine their obligations and any amounts



including but not limited to legal charges, incidental expenses, claims of the unit holders required to be paid by the co-developer will be reimbursed by the Company to the Co-developer. During the year, the Co-developer has also submitted an account to the Company for the amount spent on Delhi Hotel Project amounting to Rs 7938.42 Lakhs up to 31 March 2017 and the same is acknowledged by the Company. The said amount has been allocated in the Schedule of Fixed Assets under the various accounting heads of Capital Works in Progress.

- f. We draw attention to the Note No. 11 of the financial results, the company was 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 Lakhs along with interest which is being contested.
- g. In view of above, the 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.

For M Kamal Mahajan & Co LLP
Chartered Accountants
(Firm Regn. No. 006855N/N500061)

Ma Mahajan

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

Place : New Delhi
Date : 26th May 2017



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 (Consolidated)	31 st March 2017 (Consolidated)
3	Type of Audit observation	Emphasis of matter
4	Frequency of observation	<p>i. Note no. 4 to the financial results regarding no provision for interest or any other charges has been made by the company on debentures pending litigation and recovery proceedings since 1st April 2015. Further the interest on term loan from financial institution is provided at simple contracted rate of interest since 1st April 2015.</p> <p>ii. Note no. 5 to the financial results regarding the secured lender IFCI Limited had initiated the recovery proceedings and allegedly auctioned the hotel property under the provisions of the</p>



SARFAESI Act which was contested by the Company at Hon'ble High Court of Bombay. By the Judgment 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 judgment whereupon the grant of stay against the order was not accepted. The Hon'ble Supreme Court 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 under management agreement with Hyatt International.

- iii. Note no. 6 to the financial results regarding no provision for interest or any other charges has been made by the company on debentures pending litigation and recovery



		<p>proceedings since 1st April 2015. Further the interest on term loan from financial institution is provided at simple contracted rate of interest since 1st April 2015.</p> <p>iv. Note no. 7 & 9 to the financial results whereby the Company has invoked an arbitration to settle the dispute with (Delhi International Airport Private Limited) DIAL wherein the outcome of the award is awaited. Further, DIAL has filed a winding up petition against the Company and the matter is pending before the Hon'ble High Court. The realization of the investment in fixed assets of Rs 54087.90 lakhs by the company is subject to the outcome of the above cases.</p> <p>v. Note no.8 & 10 to the financial results whereby during the year the Company and the Co-developer have entered into an amendment agreement to the Joint Development Agreement (JDA) to redefine their obligations and any amounts including but not limited to legal charges, incidental expenses, claims of the unit holders required to be paid by the co-developer will be</p>
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reimbursed by the Company to the Co-developer. During the year, the Co-developer has also submitted an account to the Company for the amount spent on Delhi Hotel Project amounting to Rs 7938.42 Lakhs up to 31 March 2017 and the same is acknowledged by the Company. The said amount has been allocated in the Schedule of Fixed Assets under the various accounting heads of Capital Works in Progress.

vi. We draw attention to the Note No. 11 of the financial results, the company was 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 Lakhs along with interest which is being contested.

vii. In view of above, the assumption of going concern is dependent upon realization of the various



		<p>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.</p>
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For Blue Coast Hotels Limited

For M Kamal Mahajan & Co. LLP
Chartered Accountants
(Firm Regn. No. 006855N/NS00061)

Suri

(Sushil Suri)
Chairman & Managing Director

Dhagann

(Dilip Dhagann)
Chief Financial Officer

Praveen Dutt

(Praveen Kumar Dutt)
Audit Committee Chairman



Mohr Karol

(CA. M. K. Mahajan)
Partner
Membership No. 017428

New Delhi,
May 26, 2017