

Dated: 02.09.2019

To,
The Manager - LISTING,
BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001
Scrip Code:: 531495

The Manager - LISTING,
**National Stock Exchange of India
Limited**
Bandra (East), Mumbai- 400051
SYMBOL: BLUECOAST

Dear Sir(s),

Sub: Notice of 26th AGM along with Annual Report for the financial year ended 31st March, 2019

In terms of Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 enclose herewith copy of the Annual Report for the financial year ended 31st March, 2019 of the Company together with the Notice convening the **26th Annual General Meeting (AGM)** of the Company on **Friday, September 27, 2019 at 10.00 A.M. at Bogmallo Beach Resort, Bogmallo Goa-403806.**

Kindly take the same on record.

For BLUE COAST HOTELS LIMITED


Kapila Kandel
Company Secretary
Membership No. 52540

Blue Coast Hotels Ltd.

Regd. Office: Shop No. BG/1, Shanta Kunj, Cooperative Housing Society Ltd., Comba, Margao, Goa- 403601
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
CIN No.: L31200GA1992PLC003109



Annual Report 2018-19

Blue Coast
Hotels Ltd.

A CELEBRATION OF
THE SENSES



UNWRAPPING DELIGHTFUL INDIA!



India - both in her ancient and modern avatars - is an amazing treasure trove of never ending surprises. A lifetime is never enough to unravel the myriad charms of this gracious land and her exotic layers of emotions and experiences that never fail to delightfully assail the senses of souls who seek to embrace her and her captivating diversity.

At Blue Coast Hotels Ltd. we take pride in celebrating India and the delightful spirit the land so vibrantly embodies even as we gleefully unwrap her exotic colours and pay tribute to her exquisite culture through our endeavours. True to her magnificent dimensions, we always strive to exceed expectations and deliver excellence even as we bring alive the exciting facets, flavours and fragrances of this great land.







OUR LIGHT, OUR GUIDE

At Blue Coast, the extraordinary legacy of Shri P. L. Suri continues to propel our efforts and endeavours. His memory remains reverential while his ideology and vision shine bright as beacons guiding our business.

There is much we owe to him – as our Chairman & Managing Director he led from the front when it came to demonstrating the virtues of hard work, teamwork and excellence. He was indefatigable in spirit and ingenious in leadership. He epitomized the ideologies of humility and righteousness. Today, we take pride in celebrating his towering strength and inspiring spirit as we relentlessly pursue our goals and all that we do.

Late Shri P. L. Suri



EXCEEDING EVERY EXPECTATION

The aura of Shri Arun Suri lives on in the precedents of dedication and cooperation imbued by him into the heartbeat of Blue Coast. His ability to dream big and do the impossible continue to define the way of life in the organisation even today.

Demonstrating extraordinary vision and leadership, Shri Arun Suri not only stretched his own capabilities but also created endless possibilities for his team and set new standards in the business with his achievements.

As a hands-on leader, the desire to do and drive to excel came naturally to him. Even today, his indomitable presence and enduring sense of professionalism inspires Blue Coast Hotels Ltd. to deliver outstanding excellence, unmatched perfection and exceed every expectation.

Late Shri Arun Suri

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Board of Directors

Mr. Kushal Suri
Whole Time Director
Mrs. Anju Suri
Non-Executive Director
Dr. Vijay Mohan Kaul
Independent Director
Mr. Praveen Kumar Dutt
Independent Director
Mr. Madan Gopal Khanna
Independent Director

Executives

Mr. Amit Singhl
(Key Managerial Personnel)
Chief Financial Officer
Mrs. Kapila Kandel
(Key Managerial Personnel)
Company Secretary

Statutory Auditors

M/s. Dewan & Gulati
Chartered Accountants

Secretarial Auditor

Mr. Prem Chand Goel
Practicing Company Secretary

Stock Exchanges where Company's Securities are listed

BSE Limited (Scrip Code: 531495)
National Stock Exchange of India Limited (Scrip Code: BLUECOAST)

Registered Office

Shop No. BG/1, Shanta Kunj,
Cooperative Housing Society Ltd.
Goa – 403601

Corporate Office

415 – 417, Antriksh Bhawan,
22, Kasturba Gandhi Marg,
New Delhi - 110 001
Tel. : 011 23358774-775
Fax. : 011 23358776

Registrar & Share Transfer Agent

RCMC Share Registry Pvt. Ltd.
B – 25/1, 1st Floor,
Okhla Industrial Area, Phase II,
New Delhi - 110 020
Ph.: 011 – 26387320-21-23
Fax: 011 – 26387322.

Notice

NOTICE is hereby given that the 26th Annual General Meeting (AGM) of the Members of **Blue Coast Hotels Limited** will be held on Friday, September 27, 2019 at 10:00 A.M. at Bogmallo Beach Resort, Bogmallo, Goa - 403806 to transact the following business as:

ORDINARY BUSINESS

1. ADOPTION OF FINANCIAL STATEMENTS

- a. **CONSIDER AND RE APPROVE THE AUDITED FINANCIAL STATEMENT, INCLUDING CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018, ALONG WITH THE REPORTS OF THE DIRECTORS' AND AUDITORS' THEREON**

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

"RESOLVED THAT with reference to the Resolution (Item No. 1) approved at the 25th AGM held on August 9, 2018, the Standalone and Consolidated Audited Financial Statements of the Company including the Balance Sheet as at March 31, 2018, Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date along with the schedules and notes appended thereto along with the reports of the Directors' and Auditors' thereon be and are hereby considered and re-approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- b. **TO CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENT, INCLUDING CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019, ALONG WITH THE REPORTS OF THE DIRECTORS' AND AUDITORS' THEREON**

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

"RESOLVED THAT pursuant to the provisions of Section 129, 134 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Standalone and Consolidated Audited Financial Statements of the Company including the Balance Sheet as at March 31, 2019, Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date along with the schedules and notes appended thereto along with the reports of the Directors' and Auditors' thereon be and are hereby considered and approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

2. **TO APPOINT A DIRECTOR IN PLACE OF MR. KUSHAL SURI (DIN: 02450138), WHO RETIRES BY ROTATION AT THIS ANNUAL GENERAL MEETING AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT**

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

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr. Kushal Suri (DIN: 02450138), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Whole Time Director of the Company, who is liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

SPECIAL BUSINESS

3. APPOINTMENT OF MRS. ANJU SURI (DIN: 00042033) AS A NON-EXECUTIVE DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mrs. Anju Suri (DIN: 00042033), who was appointed as an Additional Director of the Company by the Board of Director with effect from February 9, 2019 to hold the office till the date of this Annual General Meeting, as recommended by the Nomination and Remuneration Committee, be and is hereby appointed as a Non-Executive Director of the Company, who is liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. RE-APPOINTMENT OF MR. PRAVEEN KUMAR DUTT (DIN: 06712574) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s) the following resolution(s) as a **Special Resolution**:-

“RESOLVED THAT pursuant to Section 149 & 152 of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, Mr. Praveen Kumar Dutt (DIN: 06712574) who has been appointed as Independent Director of the Company till this Annual General Meeting and who is also eligible for re-appointment as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company for another term of five (5) consecutive years with effect from September 27, 2019 upto September 26, 2024.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. RE-APPOINTMENT OF MR. VIJAY MOHAN KAUL (DIN: 00472888) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s) the following resolution(s) as a **Special Resolution:-**

“RESOLVED THAT pursuant to Section 149 & 152 of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, Mr. Vijay Mohan Kaul (DIN: 00472888) who has been appointed as an Independent Director of Company till this Annual General Meeting and who is also eligible for re-appointment as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company for another term of five (5) consecutive years with effect from September 27, 2019 upto September 26, 2024.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. CONTINUATION OF MR. MADAN GOPAL KHANNA (DIN: 00330460) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s) the following resolution(s) as a **Special Resolution:-**

“RESOLVED THAT pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable provisions, if any, consent of Members of the Company be and is hereby accorded for continuation of Directorship of Mr. Madan Gopal Khanna (DIN: 00330460), who was appointed as an Independent Director of the Company for a period of five (5) years at the 23rd Annual General Meeting of the Company held on September 29, 2016, who have attained the age of 75 years, for the remaining period of his existing term of Directorship as Independent Director of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
For **Blue Coast Hotels Limited**

Sd/-

(Kushal Suri)
(Whole Time Director)
DIN: 02450138

Place: New Delhi

Date: 12.08.2019

CIN: L31200GA1992PLC003109

Regd. Office: Shop No. BG/1 Shanta Kunj,
Cooperative Housing Society Ltd.

Goa – 403601

Notes:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') with respect to the special business set out under Item Nos. 3 to 6 of the Notice, is annexed hereto and forms part of the notice.
2. The relevant details, as required under Secretarial Standard - 2 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended, of persons seeking appointment/re-appointment as Director at the Annual General Meeting ('AGM') are furnished herewith and forms part of the Notice.
3. **A MEMBER ENTITLED TO ATTEND THE MEETING AND VOTE THEREAT IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) Members and holding in the aggregate not more than ten percent (10%) of the total Share Capital of the Company carrying voting rights. A Member holding more than ten percent (10%) of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other Member.

The instrument appointing proxies, in order to be effective, should be duly stamped, completed and signed and should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

4. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send, to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2019 to 27th September, 2019 (both days inclusive).
6. Members/Proxies should bring the Attendance Slip sent herewith, duly filled in and signed, for attending the meeting.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their de-mat accounts. Members holding shares in physical form can submit their PAN to the RTA of the Company (i.e., 'RCMC Share Registry Pvt. Ltd.').
8. As per Regulation 40 of SEBI (LODR) Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, RCMC Share Registry Pvt. Ltd. for assistance in this regard.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RCMC Share Registry Pvt. Ltd., for consolidation into a single folio.
10. To support the 'Green Initiative', the Members are requested to register/update their e-mail address, contact details and addresses with the RTA 'RCMC Share Registry Pvt. Ltd./Depositories for receiving all communications including Annual Report, Notices, Circulars, etc., from the Company electronically.

11. The Notice of the 26th AGM along with the Annual Report for financial year 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. Members may also note that the Notice of 26th AGM and the Annual Report for financial year 2018-19 will be available on Company's website, www.bluecoast.in. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who have any queries may write to us at info@bluecoast.in.
13. The Auditors Report pursuant to Section 145 of the Companies Act, 2013, Register of Directors & Key Managerial Personnel and their Shareholdings pursuant to Section 170, Register of Contracts or Arrangements in which Directors are interested pursuant to Section 189 and the Register of Proxies, will be available for inspection by the members at the AGM.
14. Route Map showing directions to reach the venue of 26th AGM is given at the end of this Report.
15. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members the facility to exercise their right to vote, on all the resolutions set forth in the Notice of 26th AGM of the Company, by electronic means through the remote e-voting services provided by National Securities Depository Limited (NSDL).
16. The Members, whose name appear in the Register of Members, holding shares in physical or in dematerialized form, as on the cut-off date i.e., Friday, September 20, 2019. (end of day), are entitled to cast their votes on the resolutions set forth in this notice.
17. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). The remote e-voting shall commence at 9 a.m. on September 24, 2019 and shall end at 5 p.m. on September 26, 2019.

The members desirous to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

How do I vote electronically using NSDL e-Voting system ?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below :

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below :

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using

your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below :

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cspraveendua@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

General Instructions:

- (a) During the remote e-voting period, Members of the Company, holding shares either in physical or dematerialized form as on the cut-off date i.e., September 20, 2019 (end of day), may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- (b) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or Contact on toll free no.: 1800-222-990.
- (c) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (d) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e., Friday, September 20, 2019 (end of day).
- (e) Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date, i.e., Friday, September 20, 2019 (end of day), may obtain the login ID and

password by sending a request to NSDL at evoting@nsdl.co.in or to the Company's Registrar - RCMC Share Registry Pvt. Ltd.

However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote.

Note: If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in de-mat mode, USER-ID is the combination of (DPID + Client ID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No + Folio No).

- (f) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- (g) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- (h) The Company has appointed Mr. Praveen Dua, Practicing Company Secretary (Membership No. FCS 3573 & C.P. No. 2139) as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (i) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of 'Ballot Paper' for all those Members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.
- (j) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (k) The results declared along with the Report of the Scrutinizer shall be placed on the website of the Company www.bluecoast.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall, simultaneously, be forwarded to NSE & BSE which shall place the results on their website.

IMPORTANT NOTE: By virtue of Hon'ble NCLT, Delhi, order, preference shareholders are not allowed to vote in respect of any of the items of this Annual General Meeting including their proxies.

By Order of the Board
For **Blue Coast Hotels Limited**

Sd/
(Kushal Suri)
(Whole Time Director)
DIN: 02450138

Place: New Delhi
Date: 12.08.2019
CIN: L31200GA1992PLC003109
Regd. Office: Shop No. BG/1 Shanta Kunj,
Cooperative Housing Society Ltd.
Goa – 403601

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statements set out all material facts relating to the Item No. 1(a) and the special businesses mentioned under Item No. 3 to Item No. 6 of the accompanying Notice:

Item No. 1 (a)

The Company at its 25th Annual General Meeting ('AGM') held on August 9, 2018, approved resolutions, inter-alia, to consider and adopt the audited financial statement, including consolidated financial statements of the company for the financial year ended March 31, 2018, along with the reports of the directors' and auditors' thereon, as set out in the notice dated July 11, 2018.

The Board of Directors in their meeting held on August 11, 2017 had proposed modification in the terms of redemption of 41,50,000 10% Cumulative Redeemable Preference Shares and the same were approved by shareholders through Postal ballot on September 20, 2017. Whereas, the Hon'ble National Company Law Tribunal (NCLT), New Delhi, in a petition filed by one litigant, vide its order dated November 24, 2017, had restrained Preference Shareholders from exercising their voting rights in respect of those preference shares and resolution dated August 11, 2017 became ineffective. However, the scrutinizer while submitting the voting results of said meeting, erroneously included unexercised voting by the Preference Shareholders. The revised voting result of AGM was filed to the Stock Exchanges on October 5, 2018.

Further, The Hon'ble NCLT vide its order dated September 26, 2018, stayed all the resolutions passed by members at the 25th Annual General Meeting including adoption of annual accounts for the financial year ended March 31, 2018. The matter is still pending before Hon'ble NCLT, Delhi, the Company shall abide by any order passed by Hon'ble NCLT in this respect.

However, In order to comply with provisions of Companies Act, 2013 and rules framed thereunder and keeping in view the interest of all the stakeholders of the Company, the Board of Directors has proposed to put before the members, the audited financial statement, including consolidated financial statement of the company for the financial year ended March 31, 2018, along with the reports of the directors' and auditors' thereon at this i.e., 26th Annual General Meeting for their approval and adoption of the same.

Accordingly, the resolution as given in the notice at item no. 1(a), Board of Directors seek your approval to the audited financial statements, including consolidated financial statement of the company for the financial year ended March 31, 2018, along with the reports of the directors' and auditors' thereon, in the form of an '**Ordinary Resolution**'.

None of the Directors or Key Managerial Personnel of the Company and their relatives is deemed to be, concerned or interested, financially or otherwise, in the resolution.

Board recommends the passing of the resolution set out at item no. 1(a) of the notice as an Ordinary Resolution.

Item No. 3

In terms of Section 161 of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on February 9, 2019, on the recommendation of the Nomination & Remuneration Committee ("NRC") of the Company,

has appointed Mrs. Anju Suri as an Additional Non-Executive Director of the Company with effect from the said date till the date of this Annual General Meeting.

By virtue of the said appointment, Mrs. Anju Suri has to vacate her office at this Annual General Meeting. The Board, on the recommendation of the NRC, recommends the members to approve the appointment of Mrs. Anju Suri as a Non-Executive Director of the Company.

Pursuant to the provisions of Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and in compliance of the Secretarial Standard-2 as issued by ICSI, the Companies Act, 2013 and rules made thereunder, the requisite disclosures of Mrs. Anju Suri is annexed with this notice as **Annexure-I**.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mrs. Anju Suri, to the extent of her appointment, is deemed to be, concerned or interested, financially or otherwise, in the resolution.

Board recommends the passing of the resolution set out at item no. 3 of the notice as an Ordinary Resolution.

Item No. 4

Mr. Praveen Kumar Dutt who was appointed by Members at their 21st Annual General Meeting held on September 30, 2014 for a term of five (5) consecutive years as an Independent Director of the Company which is going to be completed at this Annual General Meeting.

As per Section 149 (10) of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a special resolution by the Company for another term of five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 152 of the Act read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Praveen Kumar Dutt, being eligible for re-appointment as an Independent Director and offering himself for the same, is proposed to be re-appointed as an Independent Director for another term of five (5) consecutive years with effect from September 27, 2019 upto September 26, 2024 as per the terms and conditions of re-appointment as decided by the Board.

Mr. Praveen Kumar Dutt, is a fellow member of the Institute of Chartered Accountant of India joined Board of the Company in September 2013 and has continued on the Board ever since as an Independent Director. He is Chairman of Audit Committee, Nomination & Remuneration Committee and member of Stakeholder Relationship Committee of the Company.

Pursuant to Schedule IV of Companies Act, 2013, Nomination & Remuneration Committee and entire Board of Directors excluding Mr. Praveen Kumar Dutt evaluated his performance and found that he fulfills and executed all the duties of an Independent Director which are mentioned under the Companies Act, 2013 and rules framed thereunder for the re-appointment as an Independent Director and is independent of the management. A copy of the draft letter of re-appointment of Mr. Dutt setting out the term and condition of re-appointment is available for inspection by the Members at the registered office of the company during business hour on any day, excluding Saturday and also available on the website of the Company www.bluecoast.in.

Pursuant to the provisions of Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and in compliance of the Secretarial Standard-2 as issued by ICSI, the Companies Act, 2013 and rules made thereunder, the requisite disclosures of Mr. Praveen Kumar Dutt is annexed with this notice as **Annexure-I**

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Praveen Kumar Dutt, to the extent of his re-appointment, is deemed to be, concerned or interested, financially or otherwise, in the resolution.

Board recommends the passing of the resolution set out at item no. 4 of the notice as Special Resolution.

Item No.5

Mr. Vijay Mohan Kaul was appointed by members at their 21st Annual General Meeting held on September 30, 2014 for a term of five (5) consecutive years as an Independent Director of the Company which is going to be completed at this Annual General Meeting.

As per Section 149 (10) of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a special resolution by the Company for another term up to five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Vijay Mohan Kaul, being eligible for re-appointment as an Independent Director and offering himself for the same, is proposed to be re-appointed as an Independent Director for another term of five (5) consecutive years with effect from September 27, 2019 upto September 26, 2024 as per the terms and conditions of re-appointment as decided by the Board.

Mr. Vijay Mohan Kaul is a Bachelor of Medicine and Bachelor of Surgery (MBBS) and also holding Post Graduate Degree. Mr. Kaul is a member of Indian Medical Association joined Board of the Company in March 2003 and has continued on the Board ever since as an Independent Director. He is member of Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee of the Company.

Pursuant to Schedule IV of Companies Act, 2013, Nomination & Remuneration Committee and entire Board of Directors excluding Mr. Vijay Mohan Kaul evaluated his performance and found that he fulfills and executed all the duties of an Independent Director which are mentioned under the Companies Act, 2013 and rules framed thereunder for the appointment as an independent director and is independent of the management. A copy of the draft letter of re-appointment of Mr. Kaul setting out the term and condition of re-appointment is available for inspection by the Members at the Registered Office of the company during business hour on any day, excluding Saturday and also available on the website of the Company www.bluecoast.in.

Pursuant to the provisions of Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and in compliance of the Secretarial Standard-2 as issued by ICSI, the Companies Act, 2013 and rules made thereunder, the requisite disclosures of Mr. Vijay Mohan Kaul is annexed with this notice as **Annexure-I**

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Vijay Mohan Kaul, to the extent of his re-appointment, is deemed to be, concerned or interested, financially or otherwise, in the resolution.

Board recommends the passing of the resolution set out at item no. 5 of the notice as Special Resolution.

Item No.6

Regulation 17 (1A) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, with effect from April 1, 2019, requires that any Non-Executive Director who has attained the age of 75 years or more cannot be appointed or continue as a Non-Executive Director in any listed company until and unless approval of Members has been attained for the same by the way of special resolution.

Mr. Madan Gopal Khanna, Non-Executive Independent Director of the Company, is identified under the aforesaid provision being aged more than 75 years, the Company is required to obtain approval of Members by way of special resolution for continuing his directorship in the Company.

Mr. Khanna joined the Board of the Company in 2016 and has continued on the Board ever since as an Independent Director. Mr. Khanna worked with Brush Electrical Engineering Co. Ltd., Loughborough (Leics) U.K. as a Production Planner (1960 – 1965), worked with Devidayal Stainless Steel Ind. P. Ltd. as Sales Manager (1966 -1984) and also worked with C. Mackertich Ltd as a Director and currently he is a Director of Stewart & Mackertich Wealth Management. Mr. Madan Gopal Khanna is having rich experience of more than 50 years in diversified field. Board believes his knowledge and experience is valuable for the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Madan Gopal Khanna, to the extent of his Continuation, is deemed to be, concerned or interested, financially or otherwise, in the resolution

Board recommends the passing of the resolution set out at item no. 6 of the notice as Special Resolution.

By Order of the Board
For **Blue Coast Hotels Limited**

Sd/
(Kushal Suri)
(Whole Time Director)
DIN: 02450138

Place: New Delhi
Date: 12.08.2019
CIN: L31200GA1992PLC003109
Regd. Office: Shop No. BG/1 Shanta Kunj,
Cooperative Housing Society Ltd.
Goa – 403601

ANNEXURE-I

Details of Directors seeking appointment / Re-Appointment:

(Pursuant to Secretarial Standards – 2, Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Companies Act, 2013)

| Particulars | Mrs. Anju Suri | Mr. Praveen Kumar Dutt | Mr. Vijay Mohan Kaul |
|--|---|--|--|
| Date of Birth | 23-10-1967 | 01-08-1968 | 22-06-1956 |
| Date of first Appointment in the Company | 09-02-2019 | 30-09-2013 | 28-03-2003 |
| Qualification | M.A. (Sociology) & B.Ed. | Chartered Accountant | M.B.B.S |
| Expertise in specific functional areas | Experience of more than 14 years in Administration & HR and implementation and execution of Special Projects. | A fellow Member of the Institute of Chartered Accountant of India (ICAI) with the post qualification experience of around 25 years in the field of direct Tax Matters, FEMA, and International Taxation. | MBBS and Post Graduate Degree. Mr. Kaul is a Member of Indian Medical Association. He is a Member of HP Institute of Public Administration Shimla having rich and rich experience of more than 40 years. |
| No. of equity shares held in the Company | 25200 | NA | NA |
| Other Directorship (excluding Foreign) | Epitome Holdings Private Limited Backhome Foods and Foods Private Limited Morepen Biotech Limited Morepen Hospitality Limited React Investments and Financial Services Private Limited Square Investments and Financial Services Private Limited | Si Infratel Private Limited Latte Sano Limited Liability Partnership | Nil |

| | | | |
|---|--|--|--|
| | Seed Securities and Services Private Limited Morepen Laboratories Limited | | |
| Memberships/ Chairmanships of Committees of other Companies (includes only Audit Committee and Shareholder/Grievance Committee) | Nil | Nil | Nil |
| DIN | 00042033 | 06712574 | 00472888 |
| Relationship with any present Director | Not been related to any of the Directors as per Companies Act, 2013 | Not been related to any Directors as per Companies Act, 2013 | Not been related to any Directors as per Companies Act, 2013 |
| Details of the remuneration sought to be paid & last drawn | Nil | Nil | Nil |
| No. of Board Meetings attended during the year | 2 | 8 | 6 |
| Terms and Conditions of appointment/ Reappointment | As set out in item no. 3 of the Explanatory Statement | As set out in item no. 4 of the Explanatory Statement | As set out in item no. 5 of the Explanatory Statement |

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their 26th Report on the business and operations of the Company together with the Financial Statements for the financial year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

(Rs. in Lakh)

| PARTICULARS | Consolidated | | Standalone | |
|--|--------------|-------------------|------------|-------------------|
| | 2017-18 | 2018-19 | 2017-18 | 2018-19 |
| Revenue from Operations | 13489.24 | 5274.47 | 13489.24 | 5274.48 |
| Expenses | (10696.70) | (6937.21) | (10696.22) | (6936.03) |
| Depreciation | (674.40) | (315.80) | (674.42) | (315.80) |
| Profit from Operations before Finance Cost & Tax | 1894.80 | (1978.54) | 2118.60 | (1977.35) |
| Other Income | 143.06 | 247.72 | 143.06 | 247.71 |
| Profit before Interest & Tax | 2037.86 | (1730.82) | 2261.66 | (1729.64) |
| Interest / Finance Charges | (433.52) | (15370.46) | (433.52) | (15370.46) |
| Operating Profit before Tax | 1604.34 | (17101.28) | 1828.14 | (17100.10) |
| Interest / Finance Charges - New Hotel Projects | (1990.90) | - | (1990.90) | - |
| Profit (Loss) before Tax & Exceptional Items | (386.56) | (17101.28) | (162.76) | (17100.10) |
| Exceptional Items | - | (2278.41) | - | (2278.41) |
| Profit before Tax | - | (19379.69) | - | (19378.51) |
| Tax Expense | - | - | - | - |
| Profit (Loss) after Tax | (386.56) | (19379.69) | (162.76) | (19378.51) |
| Share of Minority Interest in Profit/Loss | - | - | - | - |
| Net Profit/(Loss) for the year | (386.56) | (19379.69) | (162.76) | (19378.51) |
| EPS (Basic/Diluted) | (1.31) | (152.01) | (1.31) | (152.01) |

DIVIDEND

Due to absence of Profit during the year, your Directors have not recommended any dividend for the Financial Year 2018-19.

RESERVES

Due to absence of surplus during the year under review, no amount was transferred to the Reserves.

DEPOSITS

During the period under review, your Company has not accepted, renewed or invited any deposit.

INTERNAL FINANCIAL CONTROL

The Company has an internal financial control system, commensurate with size, scale and complexity of its operations. The internal financial control system is adequate and operating effectively so as to ensure orderly and efficient conduct of business operations. The Company's internal financial control procedures ensure the reliability of the Financial Statements of the Company and prepared in accordance with the applicable laws.

SHARE CAPITAL

During the year under review, there were no changes in the paid-up equity share capital of the Company.

The Equity Shares issued by the Company are listed at following Stock Exchanges as on March 31, 2019:

1. National Stock Exchange of India Limited (NSE)
2. BSE Limited (BSE)

Annual listing fee for the Financial Year 2019-20 has been paid to both the Stock Exchanges. The Equity Shares continue to be listed on both NSE and BSE.

The provisions of the Companies Act, 2013 ("Act") have placed statutory restriction on the Company, having accumulated losses, from payment of dividends on Preference Shares. As a result, dividends on Preference Shares have not been paid for more than two years, thereby making the holders of these shares entitled to vote on all resolutions placed before the members. The proportion of voting rights of Equity Shareholders to the voting rights of Preference Shareholders shall be in proportion to their paid up capital.

The Board of Directors in their meeting held on August 11, 2017 had proposed modification in the terms of redemption of 41,50,000 10% Cumulative Redeemable Preference Shares and the same were approved by shareholders through postal ballot on September 20, 2017. However, the Hon'ble National Company Law Tribunal (NCLT), Delhi in a petition filed by one litigant, vide its order dated November 24, 2017 restrained these Preference Shareholders from exercising their voting rights in respect of these preference shares and directed the Company not to give effect to the resolution dated August 11, 2017 till further orders.

However, the Scrutinizer while submitting the voting results erroneously included voting by the Preference Shareholders. The Hon'ble National Company Law Tribunal (NCLT), New Delhi, by order dated September 26, 2018, stayed all the resolutions passed by the Company at its Annual General Meeting held on August 9, 2018 with regard to adoption of Financial Statement for the Financial Year ending March 31, 2018 by the shareholders, re-appointment of

Mr. Sushil Suri as Director, who retires by rotation and appointment of Mrs. Shalu Suri as a Non-Executive Director of the Company. Meanwhile, Mr. Sushil Suri and Mrs. Shalu Suri have tendered their resignation from the Board of Directors of the Company on January 29, 2019.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the financial year ended March 31, 2019.

SUBSIDIARIES / JOINT VENTURES / ASSOCIATES

The Company has following Subsidiaries / Associates as on March 31, 2019 namely:

1. Golden Joy Hotels Private Limited (Wholly Owned Subsidiary Company)
2. Blue Coast Hospitality Limited (Wholly Owned Subsidiary Company)

During the year your company has sold its entire holding in its material subsidiary Company i.e., Silver Resort Hotels India Pvt. Ltd. to Joy Hotel and Resorts Pvt. Ltd., with the consent of Members given in their Extra-Ordinary General Meeting held on March 31, 2019. Consequently, Silver Resort Hotels India Pvt. Ltd. ceased to be a Wholly Owned Subsidiary of the Company with effect from March 31, 2019.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended March 31, 2019 has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 together with the comparative period data as at and for the previous year ended March 31, 2019.

In accordance with the Companies Act, 2013 and Indian Accounting Standards (Ind AS) 110 on 'Consolidated Financial Statements' read with Ind AS 112 on 'Disclosure of Interest in other entities', the Audited Consolidated Financial Statements is provided in the Annual Report.

In accordance with the provisions of Section 129(3) of the Act, read with the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the subsidiaries is attached as **ANNEXURE 'B'** to this Report in the prescribed form, AOC-1.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Changes in Directors and Key Managerial Personnel

During the year under review, Mr. Dilip Bhagtani, Chief Financial Officer & Company Secretary (Key Managerial Personnel) has resigned from the said position w.e.f., December 24, 2018. Mr. Amit Kumar Singhl and Mrs. Kapila Kandel are appointed by the Board of Directors as Chief Financial Officer and Company Secretary respectively w.e.f., December 26, 2018.

During the year under review, Mr. Sushil Suri, Chairman & Managing Director and Mrs. Shalu Suri, Non-Executive Director, has resigned from their respective positions w.e.f., January 29, 2019 and Mr. Kushal Suri has been designated as Whole Time Director by the Board of Directors of the Company w.e.f., February 9, 2019. Further, the Members at Extra-Ordinary General Meeting (EGM) of the Company held on March 31, 2019 has approved the appointment of Mr. Kushal Suri, who is liable to retire by rotation pursuant to the provisions of Section 152 and other applicable

provisions of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014, as amended or re-enacted from time to time.

Mr. Kushal Suri, Whole Time Director of the Company, who is liable to retire by rotation pursuant to the provisions of Section 152 and other applicable provisions of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014, as amended or re-enacted from time to time, has given his consent and being eligible has offered himself for re-appointment.

During the year under review, Mr. Ashok Kini, Independent Director of the Company, has resigned on February 18, 2019.

Mrs. Anju Suri has been appointed as an Additional Director by the Board of Director in their meeting held on February 9, 2019 who will hold the office till this ensuing Annual General Meeting. Your Board, on the recommendation of the Nomination & Remuneration Committee, recommends the appointment of Mrs. Anju Suri as a Non-Executive Director of the Company as set out in the resolution related to her appointment in the notice of this Annual General Meeting.

Mr. Praveen Kumar Dutt and Vijay Mohan Kaul, has given their consent to act as an Independent Director of the Company pursuant to Section 152 of Companies Act, 2013, read with Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and offered themselves to be re-appointed as an Independent Directors of the Company for another term of 5 (five) consecutive years commencing from September 27, 2019 to September 26, 2024. Your Directors recommends their re-appointment as an Independent Directors of the Company, in accordance with the provisions of Section 149 of Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time.

As per provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to obtain approval of Members by way of special resolution for continuing the directorship of the Non-executive Director in the Company who has attained the age of 75 years or more. Mr. Madan Gopal Khanna, Independent Director of the Company, is aged more than 75 years. Hence approval of Shareholders by way of special resolution is required for his continuation on the Board of the Company. Your Board recommends the continuation of Mr. Madan Gopal Khanna as a Non-Executive Independent Director of the Company.

STATEMENT ON INDEPENDENT DIRECTOR'S DECLARATION

Your Company has three Independent Directors in its Board. Pursuant to Section 149 (7) of Companies Act, 2013 (Act), all the Independent Directors has provided declaration on their status as an Independent Director and they meet the criteria of independence as provided in Section 149 (6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. There has been no change in the circumstances affecting their status as an Independent Directors of the Company.

During the year under review, a separate meeting of the Independent Directors of the Company was held on May 29, 2018, without the presence of any other Director(s). The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole and assessed the quality, quantity and time-lines of flow of information between the Company Management and the Board. The Company Secretary acted as a secretary to the Meeting.

EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Act and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out its own performance evaluation, that of the Committees and the individual performance of its Directors. The manner in which the evaluation has been carried out has been detailed in the Corporate Governance Report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details pertaining Familiarization Programme for Independent Directors has been incorporated in Corporate Governance Report.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2018-19, Board conducted total eight (8) meetings to transact the business of the Company. Details of all such meetings are given in Corporate Governance Report of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to the Director's Responsibility Statement, it is hereby confirmed that:

- a) In the preparation of annual accounts for the Financial Year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2019 and of the profit or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for prevention and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts for the financial year ended on March 31, 2019, on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MANAGERIAL REMMUNERATION AND OTHER DISCLOSURES

The disclosures as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed and forms part of this report as ANNEXURE 'A'.

AUDIT COMMITTEE

Your Company has an Audit Committee in compliance of the provisions of Section 177 of the Act and Regulation 18 of

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The complete details with respect to Audit Committee, as required to be given under the aforesaid provisions, is given in the 'Corporate Governance Report'.

WHISTLE BLOWER/VIGIL MECHANISM

The Company has established a Whistle Blower Policy/Vigil Mechanism through which its Directors and Employees can report their genuine concern about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The said policy provides for adequate safeguard against victimization and also direct access to the higher level of superiors including Chairman of the Audit Committee, in exceptional cases. The Audit Committee reviews the same from time to time. In compliance with Section 177 of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the same is available on the website of the Company at www.bluecoast.in.

RISK MANAGEMENT POLICY

The Company has in place a mechanism to inform the Board about the risk assessment and minimisation procedures and periodical review to ensure that management controls risk through means of a properly defined framework.

The Company has formulated and adopted Risk Management Policy to prescribe risk assessment, management, reporting and disclosure requirements of the Company, the same is available on the website of the Company at www.bluecoast.in.

NOMINATION AND REMUNERATION COMMITTEE

Your Company has a Nomination and Remuneration Committee in compliance to the provisions of Section 178 of the Act and Regulation 18 of SEBI (Listing Obligation & Disclosures Requirements) Regulation, 2015 as amended. The complete details with respect to the salient features of Nomination and Remuneration Committee, as required to be given under the aforesaid provisions, is given in the 'Corporate Governance Report'.

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel (KMP) and other employees of the Company as formulated by Nomination and Remuneration Committee, pursuant to provisions of Section 178 of the Act and Para A of Part D of Schedule II of SEBI (Listing Obligation & Disclosures Requirements) Regulation, 2015, as amended, which acts as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

The Company has made the requisite changes in accordance of the Companies Act, 2013, as amended, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The detailed policy formulated by Nomination and Remuneration Committee can be accessed at www.bluecoast.in.

AUDITORS

I) STATUTORY AUDITORS

M/s Dewan & Gulati, Chartered Accountants (Firm registration number 003881-N) as the Statutory Auditors of the Company, was appointed by the shareholders in the Annual General Meeting held on September 28, 2017,

pursuant to provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Act, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to all the applicable laws and regulations for a term of five (5) consecutive years, to hold office from the conclusion of the 24th Annual General Meeting until the conclusion of 29th Annual General Meeting, to be held in the year 2022, subject to ratification of appointment by the Members at every Annual General Meeting.

The requirement to place the matter relating to appointment of auditors for ratification by Members at every Annual General Meeting has been waived off by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing Annual General Meeting.

EXPLANATION TO AUDITOR'S REPORT

On Matters of Emphasis on Statutory Auditor's Report

We draw attention to Note 26 (a) in the Financial Statements regarding handing over of only operational asset of the Company to the auction purchaser pursuant to Hon'ble Supreme Court order and 26 (e) regarding erosion of net worth, raising significant doubt on the company's ability to continue as a going concern.

Explanation

On account of default in repayment of term loan, IFCI initiated recovery proceeding under SARFAESI Act, 2002, against the company and allegedly sold the Hotel property Park Hyatt, Goa for an amount of Rs. 515,44.01 Lakhs. On 19.03.2018 Hon'ble Supreme Court of India ordered the Company to handover the possession of the Hotel to the auction purchaser within a period of six months. In compliance of Hon'ble Supreme Court order, the Company has handed over the possession of the property Park Hyatt Goa Resort & Spa to the auction purchaser on 19.09.2018. The handing over of only operational asset of the company to the auction purchaser pursuant to aforesaid order has impacted the company's ability to continue as a going concern.

The Company has availed its right to redeem the property u/s 60 of the Transfer of Property Act, 1882 by giving notice to IFCI before handing over the possession of property, though during the reporting year the Company has accounted for the sale of its aforesaid property in its financial books. The Writ Petition is pending adjudication at Hon'ble High Court of Bombay at Goa. The outcome of the writ petition may have the material impact on the company as a going concern and may also impact the alleged sale of Hotel property at Goa.

During the Year the company has recorded losses on account of loss on sale of investment in subsidiary and accumulated dividend on Preference Share, resultantly the Net worth of the Company has turned negative.

ii) SECRETARIAL AUDIT

During the year under review, the Company has appointed Mr. Prem Chand Goel, Practicing Company Secretary, (C.P No 457) Ghaziabad, as a Secretarial Auditor of the Company to conduct the Secretarial Audit of the Company as per the provisions of Section 204 (1) of the Companies Act, 2013 and other laws as applicable, for the financial year 2018-19.

The Report in Form MR-3 is enclosed as **Annexure- 'F'** to this Annual Report and there are no qualifications, reservations and remarks made by the Secretarial Auditor in his Report, if any are self-explanatory.

SECRETARIAL STANDARD

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards as issued by the Institute of Company Secretaries of India (ICSI) and that such systems are adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, your Company does not fall under the criteria as specified under Section 135 (1) of the Companies Act, 2013. Hence, no amount is required to be spent as per the provisions of Section 135 of the Act.

EXTRACT OF ANNUAL RETURN

The information as required under Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is provided in the **Annexure- D** forming part of this Report.

LOAN AND INVESTMENT BY COMPANY

Pursuant to Section 186 of the Act, Details of loan and investment made by the company is given in the notes to the Financial Statement of the Company.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments, affecting the financial position of the company, have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

In compliance with order of Hon'ble Supreme Court of India, Company has handed over the possession of its only operating property on September 19, 2018, hence the consumption of energy or technology absorption and foreign exchange earnings and outgo is not pertinent.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS / COURTS / TRIBUNALS

During the year under review, as per the order dated March 19, 2018 of Hon'ble Supreme Court of India, your Company has handed over the possession of movable and immovable properties (except stock of raw materials, semi-finished goods, consumable stores, current stocks and book debts hypothecated to working capital bankers) of hotel 'Park Hyatt Goa, Resorts & Spa' to ITC Limited on September 19, 2018.

The Company has availed its right to redeem the property u/s 60 of the Transfer of Property Act, 1882 by giving notice to IFCI before handing over the possession of property, though during the reporting year the Company has accounted for the sale of its aforesaid property in its financial books. The Writ Petition is pending adjudication at Hon'ble High Court of Bombay at Goa.

The aforesaid hotel property was auctioned by IFCI Ltd., the mortgagor, for a consideration of Rs. 515,44.01 Lakhs to ITC Limited, the auction purchaser (Buyer). The buyer has no relation with the any promoter or promoter group of the company. The aforesaid transaction is not covered under the provisions of related party transaction as provided under the Act.

The property generated operating revenues of Rs. 134.89 Crores during previous year ending March 31, 2018 which represents 100% of the operating revenues to the company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The information relating to contracts or arrangements with related parties, either at arm's length basis or not, as required under Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 is annexed in Form "AOC – 2" and forms part of this report as ANNEXURE-C. In accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated policy on the related party transactions and material subsidiaries. The same is available on the website of the Company i.e., www.bluecoast.in.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of the operations, performance and other matters of the Company is set out in the Management Discussion and Analysis Report pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, forms part of this Annual Report as ANNEXURE -E

THE POLICY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013, NUMBER OF CASES FILED WITH COMPANY, IF ANY, AND THEIR DISPOSAL.

The Company has in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace pursuant to the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC, while dealing with issues related to sexual harassment at the work place. All women employees whether permanent, temporary, contractual and trainees are covered under this policy. The Company has not received any complaint during the year.

ACKNOWLEDGEMENT

The Directors express their sincere appreciation of the co-operation and assistance received from the Central Government, State Government and Company's Bankers, Auditors, Members, Bankers, Lawyers and other business associates. The Directors also wish to place on record their deep sense of appreciation for the commitment displayed by the employees at all levels.

By Order of the Board
For Blue Coast Hotels Limited

Place: New Delhi
Date: 12.08.2019

Sd/-
(Kushal Suri)
Whole Time Director
DIN: 02450138

Sd/-
(Anju Suri)
Director
DIN: 00042033

ANNEXURE – A

DETAILS PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Remuneration paid to Directors & Key Managerial Personnel's (KMP's):

| S. No. | Name of the Directors/KMP and Designation | Remuneration of Director/KMP for the Financial Year 2018-19 (in ₹) | % increase in remuneration in the Financial Year 2018-19 | Ratio of remuneration of each Director/to median remuneration of employees. |
|--------|---|--|--|---|
| 1. | Mr. Sushil Suri ¹ Managing Director | – | – | – |
| 2. | Mr. Kushal Suri Executive Director | – | – | – |
| 3. | Mrs. Anju Suri Non-Executive Director | – | – | – |
| 4. | Mrs. Shalu Suri ¹ Non-Executive Director | – | – | – |
| 5. | Mr. Madan Gopal Khanna* Independent Director | – | – | – |
| 6. | Mr. Ashok Kini ² Independent Director | – | – | – |
| 7. | Mr. Praveen Kumar Dutt* Independent Director | – | – | – |
| 8. | Mr. Vijay Mohan Kaul* Independent Director | – | – | – |
| 9. | Mr. Dilip Bhagtani ³ Chief Finance Officer & Company Secretary | 7,958,052 | – | NA |
| 10. | Mr. Amit Kumar Singh ⁴ Chief Financial Officer | 400,000 | – | NA |
| 11. | Ms. Kapila Kandel ⁴ Company Secretary | 140,880 | – | NA |

¹ Resigned w.e.f. January 29, 2019; ² Resigned w.e.f. February 18, 2019; ³ Resigned w.e.f. December 24, 2018;

⁴ Appointed w.e.f. December 26, 2018

*These Directors of the Company are paid sitting fees only.

- The median remuneration of employees of the Company during the Financial Year 2018-19 was Rs. 45,000 /- per month.
- In the Financial year, there was decrease of 75.8% in the median remuneration of the employees.
- The number of the permanent employees on the payroll of the Company as of March 31, 2019 and March 31, 2018 was 5 and 652 respectively.

- d) Average percentage increase made in the salaries of the employee other than the managerial personnel in the last financial year i.e. 2018-19 was nil, whereas the managerial remuneration for the same financial year was nil as managerial personnel not drawing any remuneration during the year.
- e) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for the Directors/KMPs/ Employees.

By Order of the Board
For **Blue Coast Hotels Limited**

Sd/-
Kushal Suri
(Whole Time Director)
DIN: 02450138

Place: New Delhi
Date: 12.08.2019

ANNEXURE –B

FORM AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/
ASSOCIATE COMPANIES /JOINT VENTURES*(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)***PART A: SUBSIDIARIES***(Rs. In Lakhs)*

| Name of the Company | Golden Joy Hotel Private Limited | Blue Coast Hospitality Limited |
|---|----------------------------------|--------------------------------|
| Category | Subsidiary Company | Subsidiary Company |
| The date since when subsidiary was acquired | 12/10/2009 | 23/02/2007 |
| Reporting period for the subsidiary concerned, if different from the holding Company's reporting period | 01.04.2018 to 31.03.2019 | 01.04.2018 to 31.03.2019 |
| Reporting Currency and Exchange Rate as on the last date of the relevant financial year in the case of foreign subsidiaries | – | – |
| Share Capital | 5.00 | 5.00 |
| Reserves & Surplus | (4.66) | (10.54) |
| Total Assets | 261.64 | 203.96 |
| Total Liabilities | 261.30 | 209.50 |
| Investments | – | – |
| Turnover | – | – |
| Profit/(Loss) before Taxation | (0.45) | (0.73) |
| Provision for Taxation | – | – |
| Profit after Taxation | (0.45) | (0.73) |
| Proposed Dividend | – | – |
| % of Shareholding | 100.00 | 100.00 |

PART B: ASSOCIATES & JOINT VENTURE – N.A.

By Order of the Board
For **Blue Coast Hotels Limited**

Sd/-
Kushal Suri
(Whole Time Director)
DIN: 02450138

Place: New Delhi
Date: 12.08.2019

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at Arm's Length Basis.

| S. No. | Particulars | Details |
|--------|---|---------|
| a) | Name (s) of the related party & nature of relationship | N/A |
| b) | Nature of contracts/arrangements/transaction | N/A |
| c) | Duration of the contracts/arrangements/transaction | N/A |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | N/A |
| e) | Justification for entering into such contracts or arrangements or transactions' | N/A |
| f) | Date of approval by the Board | N/A |
| g) | Amount paid as advances, if any | N/A |
| h) | Date on which the special resolution was passed in General Meeting as required under first proviso to section 188 | N/A |

2. Details of contracts or arrangements or transactions at Arm's Length Basis.

| S. No. | Particulars | Details |
|--------|--|--|
| a) | Name (s) of the related party & nature of relationship | M/s Joy Hotel & Resorts Pvt. Ltd., related party under Section 2 (77) (iv) of the Act. |
| b) | Nature of transaction | Sale of investment in Material Subsidiary i.e., Silver Resort Hotel India Pvt. Ltd. |
| c) | Duration of the contracts/arrangements/transaction | N/A |

| | | |
|----|---|---|
| d) | Salient terms of the transaction including the value, if any. | Sale of Share of Silver Resort Hotel India Pvt. Ltd. for Rs.15,00,000/- |
| e) | Date of approval by the Board | March 6, 2019 |
| f) | Amount paid as advances, if any | N/A |

By Order of the Board
For **Blue Coast Hotels Limited**

Sd/-
Kushal Suri
(Whole Time Director)
DIN: 02450138

Place: New Delhi
Date: 12.08.2019

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on Financial Year Ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|--|
| I) CIN | : | L31200GA1992PLC003109 |
| ii) Registration Date | : | 27.07.1992 |
| iii) Name of the Company | : | BLUE COAST HOTELS LIMITED |
| iv) Category/Sub-Category of the Company | : | Public Company / Limited By Shares |
| v) Address of the Registered office and contact details | : | Shop No. BG/1 Shanta Kunj, Cooperative Housing Society Ltd., Goa – 403 601 Email Id: info@bluecoast.in |
| vi) Whether listed Company | : | Yes |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | : | RCMC Share Registry Private Ltd. B-25/1, Okhla Industrial Area, Phase-II, New Delhi – 110 020 Email id: www.rcmcdelhi.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

| S. No. | Name and Description of main Products / Services | NIC Code of the Product / Service | % to Total Turnover of the Company |
|--------|--|-----------------------------------|------------------------------------|
| 1. | Hotel | 6910 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|--------|--|-----------------------|--------------------------------|------------------|--------------------|
| 1. | GOLDEN JOY HOTEL PRIVATE LIMITED 33-34, Chandigarh Industrial & Business Park Phase - II, Tribune Chowk, Chandigarh, 160 002 | U55101CH2009PTC031810 | Wholly Owned Subsidiary | 100 | 2 (87) |
| 2. | BLUE COAST HOSPITALITY LIMITED Shop No. BG/1 Shanta Kunj, Cooperative Housing Society Ltd, Goa – 403 601 | U55101GA2007PLC005101 | Wholly Owned Subsidiary | 100 | 2 (87) |

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i) Category-wise Share Holding:

| Category of Shareholders | No. of Shares held at the beginning of the year (01.04.2018) | | | | No. of Shares held at the end of the year (31.03.2019) | | | | % change during the year |
|--|--|----------|----------------|-------------------|--|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 1005041 | 0 | 1005041 | 7.88 | 1005041 | 0 | 1005041 | 7.88 | 0.00 |
| b) Central Govt. or State Govt. | | | | | | | | | - |
| c) Bodies Corporates | 6821454 | 0 | 6821454 | 53.51 | 6821454 | 0 | 6821454 | 53.51 | 0.00 |
| d) Bank/FI | | | | | | | | | - |
| e) Any other | | | | | | | | | - |
| SUB TOTAL:(A) (1) | 7826495 | 0 | 7826495 | 61.39 | 7826495 | 0 | 7826495 | 61.39 | 0.00 |
| (2) Foreign | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| a) NRI- Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any other... | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| SUB TOTAL (A) (2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 7826495 | 0 | 7826495 | 61.39 | 7826495 | 0 | 7826495 | 61.39 | 0.00 |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Venture Capital Fund | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| g) FII(S) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| SUB TOTAL (B)(1): | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |

| Category of Shareholders | No. of Shares held at the beginning of the year (01.04.2018) | | | | No. of Shares held at the end of the year (31.03.2019) | | | | % change during the year |
|--|--|--------------|-----------------|-------------------|--|--------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies Corporates | 2360811 | 340 | 2361151 | 18.52 | 2354933 | 340 | 2355273 | 18.47 | (0.05) |
| i) Indian | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Individual shareholders holding nominal share capital upto Rs.2 lakhs | 132360 | 78023 | 210383 | 1.65 | 137348 | 76223 | 213571 | 1.68 | 0.03 |
| ii) Individuals shareholders holding nominal share capital in excess of Rs.2 lakhs | 31745 | 0 | 31745 | 0.25 | 31745 | 0 | 31745 | 0.25 | 0.00 |
| c) Others (specify) | | | | | | | | | |
| Clearing Members | 509 | 0 | 509 | 0.00 | 3149 | 0 | 3149 | 0.02 | 0.02 |
| Non Residents | 5712 | 300 | 6012 | 0.05 | 5762 | 300 | 6062 | 0.05 | 0.00 |
| Foreign Company | 2312162 | 0 | 2312162 | 18.14 | 2312162 | 0 | 2312162 | 18.14 | 0.00 |
| Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| SUB TOTAL (B)(2): | 4843299 | 78663 | 4921962 | 38.61 | 4845099 | 76863 | 4921962 | 38.61 | 0.00 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 4843299 | 78663 | 4921962 | 38.61 | 4845099 | 76863 | 4921962 | 38.61 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 12669794 | 78663 | 12748457 | 100.00 | 12671594 | 76863 | 12748457 | 100.00 | 0.00 |

ii) Shareholding of Promoters:

| S. No. | Shareholder's Name | Shareholding at the beginning of the year (01.04.2018) | | | Shareholding at the end of the year (31.03.2019) | | | % change in shareholding during the year |
|--------|---|--|----------------------------------|--|--|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/encumbered to total Shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/encumbered to total Shares | |
| 1 | Aanchal Suri | 20200 | 0.16 | 0.16 | 20200 | 0.16 | 0.002 | 0.00 |
| 2 | Anju Suri | 25200 | 0.20 | 0.19 | 25200 | 0.20 | 0.003 | 0.00 |
| 3 | Anubhav Suri | 20200 | 0.16 | 0.16 | 20200 | 0.16 | 0.002 | 0.00 |
| 4 | Arun Suri | 63600 | 0.50 | 0 | 63600 | 0.50 | 0.000 | 0.00 |
| 5 | Brook Investments & Financial Services Pvt Ltd. | 481407 | 3.78 | 2.51 | 481407 | 3.78 | 0.036 | 0.00 |
| 6 | Concept Credits & Consultants Pvt. Ltd. | 320000 | 2.51 | 2.51 | 320000 | 2.51 | 0.036 | 0.00 |
| 7 | Epitome Holdings Pvt. Ltd. | 596699 | 4.68 | 2.51 | 596699 | 4.68 | 0.036 | 0.00 |
| 8 | Gulfy Suri | 20200 | 0.16 | 0.16 | 20200 | 0.16 | 0.002 | 0.00 |
| 9 | Kanta Suri | 25400 | 0.20 | 0 | 25400 | 0.20 | 0.000 | 0.00 |
| 10 | Kushal Suri | 20200 | 0.16 | 0.16 | 20200 | 0.16 | 0.002 | 0.00 |
| 11 | Liquid Holdings Pvt. Ltd. | 599414 | 4.70 | 2.51 | 599414 | 4.70 | 0.036 | 0.00 |
| 12 | Mamta Suri | 331718 | 2.60 | 0.69 | 331718 | 2.60 | 0.010 | 0.00 |
| 13 | Mid Med Financial Services & Investments Pvt. Ltd. | 597087 | 4.68 | 2.51 | 597087 | 4.68 | 0.036 | 0.00 |
| 14 | P L Suri | 30400 | 0.24 | 0.24 | 30400 | 0.24 | 0.003 | 0.00 |
| 15 | React Investments & Financial Services Pvt. Ltd. | 596699 | 4.68 | 2.51 | 596699 | 4.68 | 0.036 | 0.00 |
| 16 | Sanjay Suri | 30400 | 0.24 | 0.24 | 30400 | 0.24 | 0.003 | |
| 17 | Sanjay Suri H U F | 24272 | 0.19 | 0 | 24272 | 0.19 | 0.000 | 0.00 |
| 18 | Scope Credits & Financial Services Pvt. Ltd. | 596699 | 4.68 | 2.51 | 596699 | 4.68 | 0.036 | 0.00 |
| 19 | Seed Securities & Services P. Ltd. | 645311 | 5.06 | 2.51 | 645311 | 5.06 | 0.036 | 0.00 |
| 20 | Solace Investments & Financial Services Pvt. Ltd. | 1146196 | 8.99 | 2.66 | 1146196 | 8.99 | 0.038 | 0.00 |
| 21 | Solitary Investments & Financial Services Pvt. Ltd. | 645243 | 5.06 | 2.51 | 645243 | 5.06 | 0.036 | 0.00 |
| 22 | Square Investments & Financial Services Pvt. Ltd. | 596699 | 4.68 | 2.51 | 596699 | 4.68 | 0.036 | 0.00 |
| 23 | Sunita Suri | 360151 | 2.83 | 0.19 | 360151 | 2.83 | 0.003 | 0.00 |
| 24 | Sushil Suri | 33100 | 0.26 | 0.26 | 33100 | 0.26 | 0.004 | 0.00 |
| | TOTAL | 7826495 | 61.40 | 30.22 | 7826495 | 61.40 | 0.435 | 0.00 |

iii) Change in Promoters' Shareholding:

There is no change in Promoters Shareholding during the year ended March 31, 2019.

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

| Sl. No | Name | Shareholding | | Date | Increase/ Decrease in Shareholding | Reason | Cumulative Shareholding during the year (01.04.2018 to 31.03.2019) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------|--|---|----------------------------------|------------|------------------------------------|------------------------------|--|----------------------------------|-----|--|---------|-------|------------|---|------------------------------|---------|-------|---------|-------|------------|-----|--|---------|-------|------------|---|------------------------------|---------|-------|---------|-------|------------|-----|--|--------|-------|------------|---|------------------------------|--------|-------|--------|-------|------------|-----|--|--------|-------|------------|---|------------------------------|--------|-------|--------|-------|------------|-----|--|--------|-------|------------|---|------------------------------|--------|-------|--------|-------|------------|-----|--|--------|-------|------------|---|------------------------------|--------|-------|--------|-------|------------|-----|--|--------|-------|------------|---|------------------------------|--------|-------|--------|-------|------------|-----|---|--------|-------|------------|---|------------------------------|--------|-------|--------|-------|------------|-----|--|--------|-------|------------|---|
| | | No. of shares at the beginning (01.04.2018) / No. of shares at the beginning (31.03.2019) | % of total shares of the company | | | | No of shares | % of total shares of the company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | FERRY HOLDINGS LTD. | 1162162 | 09.12 | 01.04.2018 | - | Nil Movement During the Year | 1162162 | 09.12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 1162162 | 09.12 | 31.03.2019 | | | | | 2. | JETTY CAPITAL LTD. | 1150000 | 09.02 | 01.04.2018 | - | Nil Movement During the Year | 1150000 | 09.02 | 1150000 | 09.02 | 31.03.2019 | 3. | SOLACE INVESTMENTS & FINANCIAL SERVICES PVT. LTD. | 1146196 | 08.99 | 01.04.2018 | - | Nil Movement During the Year | 1146196 | 08.99 | 1146196 | 08.99 | 31.03.2019 | 4. | NORTHERN PROJECTS LTD. | 970000 | 07.60 | 01.04.2018 | - | Nil Movement During the Year | 970000 | 07.60 | 970000 | 07.60 | 31.03.2019 | 5. | SEED SECURITIES & SERVICES PVT.LTD | 645311 | 05.06 | 01.04.2018 | - | Nil Movement During the Year | 645311 | 05.06 | 645311 | 05.06 | 31.03.2019 | 6. | SOLITARY INVESTMENTS & FINANCIAL SERVICES PVT LTD. | 645243 | 05.06 | 01.04.2018 | - | Nil Movement During the Year | 645243 | 05.06 | 645243 | 05.06 | 31.03.2019 | 7. | LIQUID HOLDINGS PVT. LTD. | 599214 | 04.70 | 01.04.2018 | - | Nil Movement During the Year | 599414 | 04.70 | 599214 | 04.70 | 31.03.2019 | 8. | MID MED FINANCIAL SERVICES & INVESTMENTS PVT. LTD. | 597087 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 597087 | 04.68 | 597087 | 04.68 | 31.03.2019 | 9. | SQUARE INVESTMENTS & FINANCIAL SERVICES PVT. LTD. | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | 596699 | 04.68 | 31.03.2019 | 10. | REACT INVESTMENTS & FINANCIAL SERVICES PVT LTD | 596699 | 04.68 | 01.04.2018 | - |
| 2. | JETTY CAPITAL LTD. | 1150000 | 09.02 | 01.04.2018 | - | Nil Movement During the Year | 1150000 | 09.02 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 1150000 | 09.02 | 31.03.2019 | | | | | 3. | SOLACE INVESTMENTS & FINANCIAL SERVICES PVT. LTD. | 1146196 | 08.99 | 01.04.2018 | - | Nil Movement During the Year | 1146196 | 08.99 | 1146196 | 08.99 | 31.03.2019 | 4. | NORTHERN PROJECTS LTD. | 970000 | 07.60 | 01.04.2018 | - | Nil Movement During the Year | 970000 | 07.60 | 970000 | 07.60 | 31.03.2019 | 5. | SEED SECURITIES & SERVICES PVT.LTD | 645311 | 05.06 | 01.04.2018 | - | Nil Movement During the Year | 645311 | 05.06 | 645311 | 05.06 | 31.03.2019 | 6. | SOLITARY INVESTMENTS & FINANCIAL SERVICES PVT LTD. | 645243 | 05.06 | 01.04.2018 | - | Nil Movement During the Year | 645243 | 05.06 | 645243 | 05.06 | 31.03.2019 | 7. | LIQUID HOLDINGS PVT. LTD. | 599214 | 04.70 | 01.04.2018 | - | Nil Movement During the Year | 599414 | 04.70 | 599214 | 04.70 | 31.03.2019 | 8. | MID MED FINANCIAL SERVICES & INVESTMENTS PVT. LTD. | 597087 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 597087 | 04.68 | 597087 | 04.68 | 31.03.2019 | 9. | SQUARE INVESTMENTS & FINANCIAL SERVICES PVT. LTD. | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | 596699 | 04.68 | 31.03.2019 | 10. | REACT INVESTMENTS & FINANCIAL SERVICES PVT LTD | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | 596699 | 04.68 | 31.03.2019 | | | | | | |
| 3. | SOLACE INVESTMENTS & FINANCIAL SERVICES PVT. LTD. | 1146196 | 08.99 | 01.04.2018 | - | Nil Movement During the Year | 1146196 | 08.99 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 1146196 | 08.99 | 31.03.2019 | | | | | 4. | NORTHERN PROJECTS LTD. | 970000 | 07.60 | 01.04.2018 | - | Nil Movement During the Year | 970000 | 07.60 | 970000 | 07.60 | 31.03.2019 | 5. | SEED SECURITIES & SERVICES PVT.LTD | 645311 | 05.06 | 01.04.2018 | - | Nil Movement During the Year | 645311 | 05.06 | 645311 | 05.06 | 31.03.2019 | 6. | SOLITARY INVESTMENTS & FINANCIAL SERVICES PVT LTD. | 645243 | 05.06 | 01.04.2018 | - | Nil Movement During the Year | 645243 | 05.06 | 645243 | 05.06 | 31.03.2019 | 7. | LIQUID HOLDINGS PVT. LTD. | 599214 | 04.70 | 01.04.2018 | - | Nil Movement During the Year | 599414 | 04.70 | 599214 | 04.70 | 31.03.2019 | 8. | MID MED FINANCIAL SERVICES & INVESTMENTS PVT. LTD. | 597087 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 597087 | 04.68 | 597087 | 04.68 | 31.03.2019 | 9. | SQUARE INVESTMENTS & FINANCIAL SERVICES PVT. LTD. | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | 596699 | 04.68 | 31.03.2019 | 10. | REACT INVESTMENTS & FINANCIAL SERVICES PVT LTD | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | 596699 | 04.68 | 31.03.2019 | | | | | | | | | | | | | | | | | | |
| 4. | NORTHERN PROJECTS LTD. | 970000 | 07.60 | 01.04.2018 | - | Nil Movement During the Year | 970000 | 07.60 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 970000 | 07.60 | 31.03.2019 | | | | | 5. | SEED SECURITIES & SERVICES PVT.LTD | 645311 | 05.06 | 01.04.2018 | - | Nil Movement During the Year | 645311 | 05.06 | 645311 | 05.06 | 31.03.2019 | 6. | SOLITARY INVESTMENTS & FINANCIAL SERVICES PVT LTD. | 645243 | 05.06 | 01.04.2018 | - | Nil Movement During the Year | 645243 | 05.06 | 645243 | 05.06 | 31.03.2019 | 7. | LIQUID HOLDINGS PVT. LTD. | 599214 | 04.70 | 01.04.2018 | - | Nil Movement During the Year | 599414 | 04.70 | 599214 | 04.70 | 31.03.2019 | 8. | MID MED FINANCIAL SERVICES & INVESTMENTS PVT. LTD. | 597087 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 597087 | 04.68 | 597087 | 04.68 | 31.03.2019 | 9. | SQUARE INVESTMENTS & FINANCIAL SERVICES PVT. LTD. | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | 596699 | 04.68 | 31.03.2019 | 10. | REACT INVESTMENTS & FINANCIAL SERVICES PVT LTD | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | 596699 | 04.68 | 31.03.2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | SEED SECURITIES & SERVICES PVT.LTD | 645311 | 05.06 | 01.04.2018 | - | Nil Movement During the Year | 645311 | 05.06 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 645311 | 05.06 | 31.03.2019 | | | | | 6. | SOLITARY INVESTMENTS & FINANCIAL SERVICES PVT LTD. | 645243 | 05.06 | 01.04.2018 | - | Nil Movement During the Year | 645243 | 05.06 | 645243 | 05.06 | 31.03.2019 | 7. | LIQUID HOLDINGS PVT. LTD. | 599214 | 04.70 | 01.04.2018 | - | Nil Movement During the Year | 599414 | 04.70 | 599214 | 04.70 | 31.03.2019 | 8. | MID MED FINANCIAL SERVICES & INVESTMENTS PVT. LTD. | 597087 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 597087 | 04.68 | 597087 | 04.68 | 31.03.2019 | 9. | SQUARE INVESTMENTS & FINANCIAL SERVICES PVT. LTD. | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | 596699 | 04.68 | 31.03.2019 | 10. | REACT INVESTMENTS & FINANCIAL SERVICES PVT LTD | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | 596699 | 04.68 | 31.03.2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | SOLITARY INVESTMENTS & FINANCIAL SERVICES PVT LTD. | 645243 | 05.06 | 01.04.2018 | - | Nil Movement During the Year | 645243 | 05.06 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 645243 | 05.06 | 31.03.2019 | | | | | 7. | LIQUID HOLDINGS PVT. LTD. | 599214 | 04.70 | 01.04.2018 | - | Nil Movement During the Year | 599414 | 04.70 | 599214 | 04.70 | 31.03.2019 | 8. | MID MED FINANCIAL SERVICES & INVESTMENTS PVT. LTD. | 597087 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 597087 | 04.68 | 597087 | 04.68 | 31.03.2019 | 9. | SQUARE INVESTMENTS & FINANCIAL SERVICES PVT. LTD. | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | 596699 | 04.68 | 31.03.2019 | 10. | REACT INVESTMENTS & FINANCIAL SERVICES PVT LTD | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | 596699 | 04.68 | 31.03.2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. | LIQUID HOLDINGS PVT. LTD. | 599214 | 04.70 | 01.04.2018 | - | Nil Movement During the Year | 599414 | 04.70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 599214 | 04.70 | 31.03.2019 | | | | | 8. | MID MED FINANCIAL SERVICES & INVESTMENTS PVT. LTD. | 597087 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 597087 | 04.68 | 597087 | 04.68 | 31.03.2019 | 9. | SQUARE INVESTMENTS & FINANCIAL SERVICES PVT. LTD. | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | 596699 | 04.68 | 31.03.2019 | 10. | REACT INVESTMENTS & FINANCIAL SERVICES PVT LTD | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | 596699 | 04.68 | 31.03.2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. | MID MED FINANCIAL SERVICES & INVESTMENTS PVT. LTD. | 597087 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 597087 | 04.68 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 597087 | 04.68 | 31.03.2019 | | | | | 9. | SQUARE INVESTMENTS & FINANCIAL SERVICES PVT. LTD. | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | 596699 | 04.68 | 31.03.2019 | 10. | REACT INVESTMENTS & FINANCIAL SERVICES PVT LTD | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | 596699 | 04.68 | 31.03.2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9. | SQUARE INVESTMENTS & FINANCIAL SERVICES PVT. LTD. | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 596699 | 04.68 | 31.03.2019 | | | | | 10. | REACT INVESTMENTS & FINANCIAL SERVICES PVT LTD | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | 596699 | 04.68 | 31.03.2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10. | REACT INVESTMENTS & FINANCIAL SERVICES PVT LTD | 596699 | 04.68 | 01.04.2018 | - | Nil Movement During the Year | 596699 | 04.68 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 596699 | 04.68 | 31.03.2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

v) Shareholding of Directors and Key Managerial Personnel

| S. No. | Name | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|-----------|--|-------------------------------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| A. | DIRECTORS: | | | | |
| | MR. KUSHAL SURI | 20200 | 0.16 | 20200 | 0.16 |
| | MR. PRAVEEN KUMAR DUTT | 0 | 0.00 | 0 | 0.00 |
| | DR. VIJAY MOHAN KAUL | 0 | 0.00 | 0 | 0.00 |
| | MRS. ANJU SURI | 25200 | 0.20 | 25200 | 0.20 |
| | MR. MADAN GOPAL KHANNA | 0 | 0.00 | 0 | 0.00 |
| B. | KEY MANAGERIAL PERSONNEL (KMP): | | | | |
| | MRS. KAPILA KANDEL (CS) | 0 | 0.00 | 0 | 0.00 |
| | MR. AMIT KUMAR SINGHL (CFO) | 0 | 0.00 | 0 | 0.00 |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

(Rs. in Lakhs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 22310.71 | 4150.00 | – | 26460.71 |
| ii) Interest / Dividend due but not paid | 267.07 | – | – | 267.07 |
| iii) Interest accrued but not due | - | - | - | - |
| iv) Dividend on Redeemable Preference Shares as per Ind AS (Not due in the absence of distributable Profits) | – | 5993.47 | – | 5993.47 |
| Total (i+ii+iii+iv) | 22577.78 | 10143.47 | – | 32721.25 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | – | 830.01 | – | 830.01 |
| * Reduction | (22501.08) | – | – | (22501.08) |
| Net Change | (22501.08) | 830.01 | – | (21671.07) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 76.70 | 4150.00 | – | 4226.70 |
| ii) Interest due but not paid | – | – | – | – |
| iii) Interest accrued but not due | – | – | – | – |
| iv) Dividend on Redeemable Preference Shares as per Ind AS (Not due in the absence of distributable Profits) | – | 6823.48 | – | 6823.48 |
| Total (i+ii+iii+iv) | 76.70 | 10973.48 | – | 11050.18 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors and / or Manager:

| S. No. | Particulars of Remuneration | Name of MD/ WTD/Manager | Total Amount (Rs. In Lakhs) |
|---------------|--|--|--|
| | | Mr. Kushal Suri Whole Time Director | |
| 1. | Gross salary | NIL | NIL |
| | a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | - | |
| | b) Value of perquisites under Section 17(2) Income-tax Act, 1961 | - | - |
| | c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961 | - | - |
| 2. | Stock Option | - | - |
| 3. | Sweat Equity | - | - |
| 4. | Commission - as % of profit - others, specify | - | - |
| 5. | Others, please specify | - | - |
| | Total (A) | NIL | NIL |
| | Ceiling as per the Act | | |

B. Remuneration to other directors:

| S. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount (Rs. In Lakhs) |
|--|--|-----------------------|----------------------|------------------------|------------------------|-----------------------------|
| | | Mr. Ashok Kini | Dr. Vijay Mohan Kaul | Mr. Praveen Kumar Dutt | Mr. Madan Gopal Khanna | |
| 1. | Independent Directors | | | | | |
| | • Fee for attending board and committee meetings | 40,000/- | 60,000/- | 80,000/- | 80,000/- | 2,60,000 |
| | • Commission | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - |
| | Total (1) | 40,000/- | 60,000/- | 80,000/- | 80,000/- | 2,60,000 |
| 2. | Other Non-Executive Directors | | | | | |
| | | Mrs. Anju Suri | | | | |
| | • Fee for attending board and committee meetings | NIL | | | | NIL |
| | • Commission | - | | | | - |
| | • Others, please specify | - | | | | - |
| | Total (2) | NIL | | | | NIL |
| | Total (B)=(1+2) | 40,000/- | 60,000/- | 80,000/- | 80,000/- | 2,60,000 |
| Total Managerial Remuneration (A + B) | | | | | | |
| | Overall Ceiling as per the Act | | | | | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| S. No. | Particulars of Remuneration | Key Managerial Personnel | | Total Amount (Rs. In Lakhs) |
|--------|--|---|---|--------------------------------|
| | | Mr. Amit Kumar Singh Chief Financial Officer | Mrs. Kapila Kandel Company Secretary | |
| 1. | Gross salary | | | |
| | a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 4,00,000/- | 1,40,880/- | 5,40,880/- |
| | b) Value of perquisites under Section 17(2) Income-tax Act, 1961 | - | - | - |
| | c) Profits in lieu of salary under Section 17(3) Income- tax Act,1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission - as % of profit - others, specify | - - | - - | - - |
| 5. | Others, please specify | - | - | - |
| | Total | 4,00,000/- | 1,40,880/- | 5,40,880/- |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of penalty/ punishment/compounding fees imposed | Authority [RD / NCLT / Court] | Appeal made, if any (give details) |
|---|------------------------------|---|--|--|------------------------------------|
| A. COMPANY Penalty | 12(1) | Company unable Maintained Registered Office | 78 * Rs.1000 = Rs. 78,000/- (Rs. 1000 per day for 78 days) | Registrar of Companies Goa, Daman & Diu | No |
| B. DIRECTORS Penalty levied on chairman & Managing Director | 12(1) | Company unable Maintained Registered Office | 78 * Rs.1000 = Rs. 78,000/- (Rs. 1000 per day for 78 days) | Registrar of Companies Goa, Daman & Diu | No |

| | | | | | |
|---|-----|-----|-----|-----|-----|
| C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding | N/A | N/A | N/A | N/A | N/A |
|---|-----|-----|-----|-----|-----|

By Order of the Board
For **Blue Coast Hotels Limited**

Sd/-
Kushal Suri
(Whole Time Director)
DIN: 02450138

Place: New Delhi
Date: 12.08.2019

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Introduction

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. During 2018, FEEs from tourism increased 4.70 per cent year-on-year to US\$ 28.59 billion. FEEs during January 2019, was US\$ 2.55 billion.

Market Size

India is the most digitally-advanced traveller nation in terms of digital tools being used for planning, booking and experiencing a journey, India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism.

During 2018, foreign tourist arrivals (FTAs) in India stood at 10.56 million, achieving a growth rate of 5.20 per cent year-on-year. FTAs in January 2019 stood at 1.10 million, up 5.30 per cent compared to 1.05 million year-on-year.

The travel & tourism sector in India accounted for 8 per cent of the total employment opportunities generated in the country in 2017, providing employment to around 41.6 million people during the same year. The number is expected to rise by 2 per cent annum to 52.3 million jobs by 2028.

International hotel chains are increasing their presence in the country, as it will account for around 47 per cent share in the Tourism & Hospitality sector of India by 2020 & 50 per cent by 2022.

Investments

During the period April 2000-December 2018, the hotel and tourism sector attracted around US\$ 12 billion of FDI, according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

Government Initiatives

The Indian government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub.

Some of the major initiatives planned by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

- The Government of India is working to achieve 1 per cent share in world's international tourist arrivals by 2020 and 2 per cent share by 2025.
- Under Budget 2019-20, the government allotted Rs 1160 crore (US\$ 160.78 million) for development of tourist circuits under Swadesh Darshan.

- Under Budget 2019-20, the government allotted Rs 160.50 crore (US\$ 22.25 million) for development of tourist circuits under Swadesh Darshan.

Achievements

Following are the achievements of the government during 2017-18:

During 2018-19, a total of seven projects worth Rs 384.67 crore (US\$ 54.81 million) were sanctioned under the Swadesh Darshan scheme.

As of July 2018, 14 states had deployed tourist police. In November 2018, Nagaland also deployed a separate tourist police in the state.

Opportunities and Threats

The launch of several branding and marketing initiatives by the Government of India such as 'Incredible India!' and 'Athiti Devo Bhava' has provided a focused impetus to growth. The Indian government has also released a fresh category of visa - the medical visa or M visa, to encourage medical tourism in the country. Incredible India 2.0 campaign was launched in September 2017. In September 2018, the Indian government launched the 'Incredible India Mobile App' to assist the traveller to India and showcase major experiences for travelling. The Government of India is working to achieve one per cent share in world's international tourist arrivals by 2020 and two per cent share by 2025.

The Government has also been making serious efforts to boost investments in tourism sector. In the hotel and tourism sector, 100 per cent FDI is allowed through the automatic route. A five-year tax holiday has been offered for 2, 3 and 4 star category hotels located around UNESCO World Heritage sites (except Delhi and Mumbai). Total FDI received by Indian hotel & tourism sector was US\$ 12.35 billion between April 2000 and March 2019. India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists.

Segment-Wise Performance

The company is presently engaged in only one segment of business i.e. Hotel.

Outlook

India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists. In March 2019, Rs 720 crore had been allocated by Uttar Pradesh towards strengthening the infrastructure for tourism.

Total contribution by travel and tourism sector to India's GDP is expected to increase from Rs 15.24 trillion (US\$ 234.03 billion) in 2017 to Rs 32.05 trillion (US\$ 492.21 billion) in 2028. India was ranked 7th among 184 countries in terms of travel & tourism's total contribution to GDP in 2017. Travel and tourism is the third largest foreign exchange earner for India. During 2018, FEEs from tourism increased 4.70 per cent year-on-year to US\$ 28.59 billion. Foreign Tourist Arrivals (FTAs) increased 5.20 per cent year-on-year to 10.56 million in the same period. Foreign tourist arrivals for medical purpose increased from 427,014 in 2016 to 495,056 in 2017(P). During 2018, arrivals through e-tourist visa increased 39.60 per cent year-on-year to 2.37 million. During January 2019, arrivals through e-tourist visa increased by 21.10 per cent year-on-year to 0.29 million.

As of 2017-18, 81.1 million people are employed in the tourism sector in India which was 12.38 per cent of total employment in the country. The Government of India has set a target of 20 million foreign tourist arrivals (FTAs) by 2020 and double the foreign exchange earnings as well.

ABOUT BLUE COAST HOTELS LIMITED

Blue Coast Hotels Limited is engaged in only Hotel Industry.

On account of default in repayment of term loan IFCI initiated recovery proceeding under SARFAESI Act, 2002, against the company and allegedly sold the Hotel property Park Hyatt, Goa for an amount of Rs. 515,44.01 Lakhs. On 19.03.2018 Hon'ble Supreme Court of India ordered the Company to handover the possession of the Hotel to the auction purchaser within a period of six months. In compliance of Hon'ble Supreme Court order, the company has handed over the possession of the property Park Hyatt Goa Resort & Spa to the auction purchaser on 19.09.2018.

The handing over of only operational asset of the company to the auction purchaser pursuant to aforesaid order has impacted the company's ability to continue as a going concern.

The Company has availed its right to redeem the property u/s 60 of the Transfer of Property Act, 1882 by giving notice to IFCI before handing over the possession of property, though during the reporting year the Company has accounted for the sale of its aforesaid property in its financial books. The Writ Petition is pending adjudication at Hon'ble High Court of Bombay at Goa. The outcome of the writ petition may have the material impact on the company as a going concern and may also impact the alleged sale of Hotel property at Goa.

Financial Performance with respect to Operational Performance

Standalone

For the period under report, the Company's total income for the year under report stood at Rs. 5522.19 Lakhs (previous period Rs 13632.30 Lakhs). The Company has a net loss (after tax) of Rs 19378.51 Lakhs as against the net loss (after tax) of Rs 165.61 Lakhs previous year. For the period under report (1st April, 2018 to 18th Sep, 2018), Park Hyatt Goa Resort & Spa achieved an average occupancy of 73.9% (Previous Year 73.1%) and its Rev PAR is 8.95% higher than previous period.

Consolidated

For the period under report, the Company's total income for the year under report stood at Rs. 5522.19 Lakhs (previous period Rs 13379.16 Lakhs). The Company has a net loss (after tax) of Rs 19379.69 Lakhs as against the net loss (after tax) of Rs 166.07 Lakhs previous year

Risks and Concerns

The handing over of only operational asset of the company to the auction purchaser has impacted the company's ability to continue as a going concern.

Internal Control System

The Company has an internal financial control system, commensurate with size, scale and complexity of its operations. The internal financial control system is adequate and operating effectively so as to ensure orderly and efficient conduct of business operations. The Company's internal financial control procedures ensure the reliability of the Financial Statements of the Company and prepared in accordance with the applicable laws.

Human Resources

Your Company lays great emphasis on the importance of human resources and recognizes the fact that no organization can grow without a committed team of employees at all level. The number of people employed on full time basis by the Company as on 31st March 2019 stood at 5.

Details of Significant Changes in Key Financial Ratios:-

| Particulars | Year Ended | |
|-----------------------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Debtors Turnover Ratio | 4.46 | 0.58 |
| Inventory Turnover* | 7.72 | 7.59 |
| Interest Coverage Ratio | (1.11) | (0.07) |
| Current Ratio | 0.22 | 0.12 |
| Debt Equity Ratio** | Nil | 2.36 |
| Operating Profit Margin (%) | (0.32) | 0.21 |
| Net Profit Margin (%) | (3.51) | (0.01) |

* The company has handed over the possession of its only operational asset i.e. Park Hyatt Goa along with the entire inventories. Hence inventory is Nil as on March 31, 2019.

** Preference Share has not been taken into account as debt.

| Particulars | Period Ended | Year Ended |
|-------------------|--------------------|----------------|
| | September 18, 2018 | March 31, 2018 |
| Occupancy Ratio | 73.90% | 73.1% |
| Rev PAR (in Rs.) | 7,768 | 9,862 |
| TRev POR (in Rs.) | 17,058 | 17,364 |
| FRev POR (in Rs.) | 5,928 | 6,051 |

Change in Return on Net Worth

During the year under review Return on Net Worth stood at is (244.18)% whereas in previous year it was (1.33)%. There is a change of in Return on Net worth (245.51)%

During the year, the Company has recorded losses on account of loss on sale of investment in subsidiary and accumulated dividend on Preference Share, resultantly the Net worth of the Company has turned negative.

Disclosure of Accounting Treatment:

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

By Order of the Board
For **Blue Coast Hotels Limited**

Sd/-
Kushal Suri
(Whole Time Director)
DIN: 02450138

Place: New Delhi
Date: 12.08.2019

SECRETARIAL AUDIT REPORT
Form No. MR-3
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Blue Coast Hotels Ltd.
GOA

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Blue Coast Hotels Ltd.** having its Registered Office at **Shop No. BG/1, Shanta Kunj Cooperative Housing Society Ltd., Goa- 403712 CIN - L31200GA1992PLC003109** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- a. The Companies Act, 2013 (the Act) and the rules made thereunder;
- b. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- c. The Depositories Act, 1996 and the Rules and Regulations framed thereunder;
- d. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- e. The following regulations and Guidelines as prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009;
 - iv. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999;

- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

- f. The Listing Agreements entered by the Company with National Stock Exchange of India Limited and BSE Limited.
- g. The clauses of the Secretarial Standard as issued by the Institute of the Company Secretaries of India.

IREPORT THAT

The Board of Directors of the Company is duly constituted of the Woman Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors of the Company with regard to the schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the resolutions have been passed unanimously and did not find any dissenting views in the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

IFURTHER REPORT THAT

1. The Company sold its entire holding in its subsidiary namely Silver Resort Hotel India Private Limited comprising of 27,35,10,000 Equity Shares of Rs.10/- each to the Joy Hotel & Resorts Private Limited, for a consideration of Rs. 15.00 Lakhs pursuant to the approval received from equity shareholders.
2. On account of default in repayment of term loan, IFCI initiated recovery proceeding under SARFAESI Act, 2002, against the Company and auction the Hotel property named as Park Hyatt Goa Resort & Spa for an amount of Rs. 515.44 Crores. On March 19, 2018 Hon'ble Supreme Court of India ordered the Company to handover the possession of the Hotel to the auction purchaser within a period of six months. In compliance of Hon'ble Supreme Court order, the Company has handed over the possession of the property Park Hyatt Goa Resort & Spa to the auction purchaser on September 19, 2018.

The handing over of only operational asset of the Company to the auction purchaser, pursuant to aforesaid order, has impacted the Company's ability to continue as a going concern.

Further, the Company has availed its right to redeem the property u/s 60 of the Transfer of Property Act, 1882 by

giving notice to IFCI before handing over the possession of property, though during the reporting year the Company has accounted for the sale of its aforesaid property in its financial books. The Writ Petition is pending adjudication at Hon'ble High Court of Bombay at Goa. The outcome of the writ petition may have the material impact on the company as a going concern and may also impact the alleged sale of Hotel property at Goa.

3. Registrar of Companies Goa, Daman & Diu has imposed penalty on the Company as well as Managing Director under Section 12 (1) of the Companies Act, 2013 for not maintaining Registered Office of Rs. 1,56,000/- (Rs. 78000/- each) which was paid in due course.
4. In the previous year the tenure for the redemption of cumulative redeemable preference shares of Rs. 41,50,00,000/- (Rs. Forty one Crores fifty lakhs) has been extended upto fifteen years i.e. upto the year 2032 pursuant to the resolution passed by way of Postal Ballot on Sept., 2017. A minority shareholder has taken an ex-parte order against the above resolution which the Company is contesting. The order is still in operation.
5. The Company has given a guarantee of Rs. 65.00 crores 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.
6. Finance cost includes provision for dividend on cumulative redeemable preference shares for the year.

I further report that as per records of the Company:

7. No amount was required to be transferred to the Investor Education and Protection Fund by the Company during the year.
8. The Company has not accepted any public deposits during the year.
9. Subject to the above the Company has not given any fresh loan or provided any guarantee to other body corporate however loan and guarantee provided by the company in previous years preceding to previous financial years which stands in the books of the company exceeds sixty per cent of its paid up share capital, free reserves and share premium account or one hundred per cent of its free reserve and share premium account, whichever is more. This has happened due to reduction of reserves in the previous financial year(s).
10. The company has not paid dividend to preference shareholders for more than 2 (two) years, hence they are entitled to vote on all the matters in the General Meetings, however, in compliance with the orders of the Hon'ble NCLT dt. 24.11.2017 none of the preference shareholder exercised his/her voting right in the Annual General Meeting held during the year.

This report is to be read with my letter of even date which is annexed as annexure 1 and forms as an integral part of this report.

Place: Ghaziabad
Date: 12.08.2019

Sd/-
Prem Chand Goel
Practicing Company Secretary
CP. No: 457

Annexure 1

Our report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain the secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. My responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I believe that audit evidence the information obtained from the Company's management is adequate and appropriate for me to provide a basis for our opinion.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. I believe that the practices and processes I followed provide a reasonable basis for our opinion.

Disclaimer

7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ghaziabad

Date: 12 .08.2019

Sd/-

**Prem Chand Goel
Practicing Company Secretary
CP. No: 457**

Corporate Governance Report

In terms of Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a Report on Corporate Governance for the year ended March 31, 2019 is presented below:

1. COMPANY PHILOSOPHY ON CODE OF GOVERNANCE

The Report containing the details of Corporate Governance Systems and Processes at Blue Coast Hotels Limited

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values.

The focus of the Company is on expanding its business while upholding the values of transparency, integrity and accountability. Your company is committed to best Corporate Governance practices and providing all the necessary information and disclosures to various stakeholders of the Company.

2. BOARD DIVERSITY

The Company is managed and controlled by a professional Board comprising a blend of Executive and Non-Executive Professional Directors. As on March 31, 2019, the Board of Directors consist of five Directors, including Whole Time Director, a Non-Executive (woman) Director and three (3) Independent Directors as per the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Board periodically evaluates the need for change in its composition and size.

The Board meets more than four times in a year and more often if Company needs merit additional oversight and guidance. During the Financial Year 2018-19, the time gap between any two Board Meetings did not exceed one hundred and twenty (120) days. The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All statutory and other matters of significance including information as mentioned in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were tabled before the Board to enable it to discharge its responsibility of strategic supervision of the Company.

a) Composition and category of Directors:

As at March 31, 2019, the composition of the Board of Directors of the Company was as follows:

| Name of the Director | Promoter/Non-Promoter | Category |
|---|-----------------------|--|
| Mr. Kushal Suri (DIN: 02450138) | Promoter | Whole Time Director |
| Mrs. Anju Suri (DIN: 00042033) | Promoter | Additional and Non-Executive Director |
| Mr. Praveen Kumar Dutt (DIN: 06712574) | Non Promoter | Independent Director |
| Dr. Vijay Mohan Kaul (DIN: 00472888) | Non Promoter | Independent Director |
| Mr. Madan Gopal Khanna (DIN: 00330460) | Non Promoter | Independent Director |

b) Attendance of each Director at the Meetings of the Board of Directors and the last Annual General Meeting:

| Sr. No. | Name of the Director | Attendance in Board Meetings and the last Annual General Meeting Held on | | | | | | | | |
|---------|------------------------|--|--------------|--------------------|--------------|---------------|--------------|--------------|---------------|---------------|
| | | 29 May 2018 | 14 July 2018 | 09 Aug. 2018 (AGM) | 11 Aug. 2018 | 19 Sept. 2018 | 14 Nov. 2018 | 09 Feb. 2019 | 06 March 2019 | 31 March 2019 |
| 1 | Mr. Sushil Suri* | ✓ | ✓ | ✓ | ✓ | ✓ | x | NA | NA | NA |
| 2 | Mr. Kushal Suri | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3 | Mrs. Shalu Suri* | x | ✓ | x | ✓ | ✓ | x | NA | NA | NA |
| 4 | Mrs. Anju Suri** | NA | NA | NA | NA | NA | NA | ✓ | ✓ | ✓ |
| 5 | Mr. Ashok Kini*** | ✓ | ✓ | ✓ | ✓ | ✓ | x | x | NA | NA |
| 6 | Mr. Praveen Kumar Dutt | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 7 | Dr. Vijay Mohan Kaul | ✓ | ✓ | x | ✓ | x | ✓ | x | ✓ | ✓ |
| 8 | Mr. Madan Gopal Khanna | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

*Mr. Sushil Suri and Mrs. Shalu Suri has resigned with effect from 29.01.2019

**Mrs. Anju Suri has been appointed as an additional non-executive director on 09.02.2019

***Mr. Ashok kini has resigned with effect from 18.02.2019.

c) Number of Committees in which a Directors is a Member or Chairperson :

| S. No. | Name of the Director | Directorships in Board of Directors* | Category | Memberships of Committees of Other Boards** | Chairmanships of Committees of Other Boards** |
|--------|------------------------|--------------------------------------|-------------------------|---|---|
| 1. | Mr. Kushal Suri | 1 | Executive Director | 1 | 1 |
| 2. | Mrs. Anju Suri | 1. Blue Coast Hotels Limited | Non- Executive Director | 3 | 1 |
| | | 2. Morepen Laboratories Limited | Non-Executive Director | 0 | 0 |
| 3. | Mr. Praveen Kumar Dutt | 1 | Independent Director | 3 | 2 |
| 4. | Dr. Vijay Mohan Kaul | 1 | Independent Director | 3 | 0 |
| 5. | Mr. Madan Gopal Khanna | 1 | Independent Director | 2 | 0 |

Directorships are reported for listed companies only, including Blue Coast Hotels Ltd.

**Committee Memberships/ Chairmanships are reported for listed companies put together including Blue Coast Hotels Limited. Committee Memberships include Chairmanship, if any, including Blue Coast Hotels Limited. Committees considered for the purpose are those prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee & Corporate Social Responsibility Committee.

d) Number of Meetings of the Board of Directors held and dates on which held:

During the Financial Year 2018-19, 8 (eight) Board Meetings were held. The dates on which these Meetings were held are given in the Table provided in pt. no. (b) Herein above.

e) Disclosure of relationships between Directors *inter-se*:

As per the Companies Act, 2013, no Director is related to any other Director on the Board.

f) Number of shares and convertible instruments held by Non-Executive Directors:

| S. No. | Name | Category | No. Of Share held |
|--------|------------------------|------------------------|-------------------|
| 1. | Mrs. Anju Suri | Non-Executive Director | 25,200 |
| 2. | Mr. Praveen Kumar Dutt | Independent Director | 0 |
| 3. | Dr. Vijay Mohan Kaul | Independent Director | 0 |
| 4. | Mr. Madan Gopal Khanna | Independent Director | 0 |

g) Web link where details of familiarization programmes imparted to Independent Directors is disclosed:

The details regarding Independent Directors' Familiarisation Programmes are given under the 'Codes & Policies' in the 'Corporate Governance' section under the "Investors" window on the website of the Company and can be accessed at www.bluecoast.in

h) Director's expertise

| S. No. | Name of the Director | Area of expertise | Year of experience |
|--------|------------------------|--|--------------------|
| 1 | Mr. Kushal Suri | Pursued MBA from Regents University, London (UK) with a Major in marketing and such a Minor in Consultancy along with various other accolades from Harvard University, Cambridge (USA). Mr. Suri has worked with International organization such as Houlihan Lokey Singapore, where he worked in M&A's in India. | More than 7 years |
| 2 | Mrs. Anju Suri | Expertise in Administration, HR and implementation and execution of Special projects | More than 14 years |
| 3 | Mr. Praveen Kumar Dutt | A fellow member of the Institute of Chartered Accountant of India, experience in the field of direct Tax Matters, FEMA, International Taxation | More than 25 years |
| 4 | Dr. Vijay Mohan Kaul | MBBS and Post Graduate degree. Mr. Kaul is a member of Indian Medical Association. He is a Life member of HP Institute of Public Administration Shimla having rich and diversified experience | More than 40 years |

| | | | |
|---|------------------------|---|--------------------|
| 5 | Mr. Madan Gopal Khanna | <p>Worked with Brush Electrical Engineering Co. Ltd., Loughborough (Leics) U.K. as a Production Planner (1960-65)</p> <p>Worked with Devidayal Stainless Steel Ind. P. Ltd. as Sales Manager. (1966-1984)</p> <p>Worked with C. Mackertich Ltd initially as the Manager at Mumbai and subsequently as a director till the closure of business and merger with Stewart & Mackertich wealth Management. (1986-2012)</p> | More than 50 years |
|---|------------------------|---|--------------------|

i) INDEPENDENT DIRECTORS

The Board of Directors of the Company is in opinion that the all three independent directors of the Company fulfil all the requirements/ conditions related to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and its rules made thereunder and are truly independent of the Management of the Company.

During the Financial Year, a separate Meeting of the Independent Directors of the Company, was held on Tuesday, May 29, 2018 at the Corporate Office of the Company at 415-417, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi – 110 001, whereat the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

- a) Review the performance of Non-Independent Directors and the Board as a whole.
- b) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- c) Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

j) ETHICS/GOVERNANCE POLICIES

At Blue Coast Hotels Limited, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct for Board.
- Code of Conduct for Prohibition of Insider Trading
- Vigil Mechanism and Whistle Blower Policy
- Risk Management Policy
- Policy on Board Diversity
- Board Evaluation Policy
- Remuneration Policy for Directors, Key Managerial Personnel's & Senior Employees.
- Policy for determining Material Subsidiaries
- Policy on Related Party Transaction.
- Archival Policy

k) RESIGNATION OF INDEPENDENT DIRECTOR

Mr. Ashok Kini an Independent Director of the Company voluntarily resigned from his directorship w.e.f February 18, 2019 due to some personal reason and his has confirmed for the same in **Annexure-II**

l) COMMITTEES OF THE BOARD

The Board of Directors has constituted the following Committees of Directors with adequate delegation of powers to discharge the Company's requisite business:

- Audit Committee.
- Nomination and Remuneration Committee
- Stakeholder Relationship (Shareholders' /Investors' Grievance) Committee
- Corporate Social Responsibility Committee.

The minutes of the meetings of all such committees were placed before the Board for discussion /noting.

Detail of the composition, number of meetings held during the year, attendance of members and scope of the committees are as below:

3. AUDIT COMMITTEE

a) Brief description of terms of reference:

The terms of reference of the Audit Committee are as per the governing provisions of the Companies Act, 2013 (section 177) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II).

The Role of the Audit Committee includes the following:

- i. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. recommendation for appointment, remuneration and terms of appointment of the auditors of the Company;
- iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;

- v. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter;
- vii. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- viii. approval or any subsequent modification of transactions of the listed entity with related parties;
- ix. scrutiny of inter-corporate loans and investments;
- x. valuation of undertakings or assets of the listed entity, wherever it is necessary;
- xi. evaluation of internal financial controls and risk management systems;
- xii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. discussion with internal auditors of any significant findings and follow up there on;
- xv. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. to review the functioning of the whistle blower mechanism;
- xix. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx. considering such other matters, the Board may specify;
- xxi. Reviewing other areas that may be brought under the purview of role of Audit Committee as specified in SEBI Regulations and the Companies Act, as and when amended.

b) Composition, Name of Members and Chairperson

The Audit Committee comprises three (3) Independent Directors as its members. All members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Secretary of the Company acts as Secretary to the Audit Committee. The Internal Auditors of the Company attend the Meetings of the Audit Committee on invitation of the Chairman of the Committee. The Composition of Audit Committee as on March 31, 2019, is given in point (c) below

c) Meetings and attendance during the year:

| Sr. No. | Name of the Director | Attendance in Audit committee Meetings held on | | | | |
|---------|-----------------------------------|--|------------|------------|------------|-------------|
| | | 29 May 18 | 11 Aug. 18 | 14 Nov. 18 | 09 Feb. 19 | 06 March 19 |
| 1. | Mr. Praveen Kumar Dutt (Chairman) | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. | Mr. Ashok Kini* | ✓ | ✓ | ✗ | ✗ | NA |
| 3. | Dr. Vijay Mohan Kaul (Member) | ✓ | ✓ | ✓ | ✗ | ✓ |
| 4. | Mr. Madan Gopal Khanna (Member) | ✓ | ✓ | ✓ | ✓ | ✓ |

*Mr. Ashok Kini ceases to be member of the committee with effect from 18.02.2019.

4. NOMINATION AND REMUNERATION COMMITTEE

a) Brief description of terms of reference:

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Whole time Directors as well as the nomination and appointment of Directors of the Company.

The terms of reference of the Nomination and Remuneration Committee are as per the Governing provisions of the Companies Act, 2013 (section 178) and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II).

b) Composition, Name of Members and Chairperson

The Nomination and Remuneration Committee comprises two (2) Independent Directors and one Non-Executive woman director, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Nomination and Remuneration Committee. The Composition of Nomination and Remuneration Committee as on March 31, 2019, is given below.

c) Meetings and attendance during the year:

| Sr. No. | Name of the Director | Attendance in Nomination and Remuneration Committee Meeting held on | | |
|---------|-----------------------------------|---|--------------|------------|
| | | 29 May 2018 | 14 Nov. 2018 | 9 Feb 2019 |
| 1. | Mr. Praveen Kumar Dutt (Chairman) | ✓ | ✓ | ✓ |
| 2. | Mr. Ashok Kini* | ✓ | ✗ | ✗ |
| 3. | Dr. Vijay Mohan Kaul (Member) | ✓ | ✓ | ✓ |
| 4. | Mrs. Anju Suri** (Member) | NA | NA | NA |

*Mr. Ashok Kini ceases to be the member of this committee with effect from 18.02.2019

**Mrs. Anju Suri become member of this committee with effect from 09.02.2019

d) Performance evaluation criteria for Independent Directors:

The performance evaluation for the financial year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board. The evaluation of all directors (including Independent Directors) was done by the entire Board of Directors (excluding the Director being evaluated).

5. REMUNERATION OF DIRECTORS

a) All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:

There is no pecuniary relationship vis-a-vis the Non-Executive Director. Also, the Independent Directors are paid Sitting Fees only.

b) Criteria of making payments to Non-Executive Directors:

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company www.bluecoast.in in the 'Policies' section in 'Corporate Governance'.

c) Disclosures with respect to Remuneration:

i. Details of remuneration/ sitting fees paid to Directors during the financial year 2018-19 is given below:

| Name of Directors | Basic | Perquisites | Commission (for the year 2018-19) | Contribution to PF | Sitting Fee | Total |
|------------------------|-------|-------------|--------------------------------------|-----------------------|-------------------|-------------------|
| Mr. Sushil Suri | - | - | - | - | - | - |
| Mrs. Shalu Suri | - | - | - | - | - | - |
| Dr. Vijay Mohan Kaul | - | - | - | - | 60,000/- | 60,000/- |
| Mr. Praveen Kumar Dutt | - | - | - | - | 80,000/- | 80,000/- |
| Mr. Kushal Suri | - | - | - | - | - | - |
| Mrs. Anju Suri | - | - | - | - | - | - |
| Mr. Ashok Kini | - | - | - | - | 40,000/- | 40,000/- |
| Mr. Madan Gopal Khanna | - | - | - | - | 80,000/- | 80,000/- |
| TOTAL | | | | | 2,60,000/- | 2,60,000/- |

i. The Company has not issued any stock option to its directors/employees.

ii. Service contracts, notice period, severance fees:

The appointment of the Executive Directors is governed by Resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director.

6. STAKEHOLDERS RELATIONSHIP / GRIEVANCE REDRESSAL COMMITTEE

The terms of reference and the ambit of powers of Stakeholders Relationship / Grievance Redressal Committee are as per the governing provisions of the Companies Act, 2013 (section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The status of member correspondences, queries, grievances etc. are endeavoured to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders Relationship/ Grievance Redressal Committee which meets at quarterly intervals.

a) Name of Non-Executive Director heading the Committee:

Mrs. Anju Suri, Non-Executive non Independent (woman) Director was appointed as the Chairperson of the Stakeholders Relationship / Grievance Redressal Committee.

The Stakeholders Relationship / Grievance Redressal Committee comprise Three (3) members, wherein two (2) members are Independent Director and other is Non-Executive Non-Independent Director. The Company Secretary of the Company acts as Secretary to the Stakeholders Relationship / Grievance Redressal Committee. The Composition of Stakeholders Relationship / Grievance Redressal Committee as on March 31, 2019, are given in point (f) below.

b) Name and designation of Compliance Officer:

Mrs. Kapila Kandel, Company Secretary, is the Compliance Officer of the Company.

c) Number of shareholders' complaints received so far:

The number of shareholder grievances received and resolved during Financial Year 2018-19 is given below:

| Nature of Grievance | Received | Resolved | Max. period of Reply (in day) |
|---|----------|----------|-------------------------------|
| Annual Report | 4 | 4 | 2 |
| Non-receipt of dividend for the F.Y.2018-19 | 0 | 0 | 0 |

d) Complaints not solved to the satisfaction of shareholders:

Nil.

e) Number of pending complaints:

As at March 31, 2019, no complaint was pending unresolved.

f) Meetings and attendance during the year:

| Sr. No. | Name of the Director | Attendance in Stakeholders Relationship Committee Meeting held on 29 th May, 2018 |
|---------|---------------------------------|--|
| 1. | Mr. Praveen Kumar Dutt (Member) | ✓ |
| 2. | Dr. Vijay Mohan Kaul (Member) | ✓ |
| 3. | Mr. Ashok Kini* | ✓ |
| 4. | Mrs. Anju Suri** (Chairperson) | NA |

*Mr. Ashok Kini ceases to be the member of the committee with effect from 18.02.2019

**Mrs. Anju Suri becomes Chairperson of the committee with effect from 09.02.2019

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was formed pursuant to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act.

The Corporate Social Responsibility Committee comprises Three (3) members of which Two (2) are Non-Executive and Independent, the Chairman being Executive Director. The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility Committee. The Composition of Corporate Social Responsibility Committee as on date of the report is given below:

| Name of Members | Category | Designation |
|------------------------|------------------------|-------------|
| Mr. Kushal Suri | Whole Time Director | Chairman |
| Mrs. Anju Suri | Non-Executive Director | Member |
| Mr. Madan Gopal Khanna | Independent Director | Member |

7. GENERAL BODY MEETINGS

a) Location and time, where last three Annual General Meetings held

| Financial Year | AGM | Date | Time | Venue |
|----------------|------------------|--------------------|------------|---------------------------------------|
| 2017-18 | 25 th | August 9, 2018 | 10.00 A.M | 263C, Arossim, Cansaulim, Goa -403712 |
| 2016-17 | 24 th | September 28, 2017 | 10.00 A.M. | 263C, Arossim, Cansaulim, Goa -403712 |
| 2015-16 | 23 rd | September 29, 2016 | 11.00 A.M. | 263C, Arossim, Cansaulim, Goa -403712 |

b) Special Resolutions passed in the previous three Annual General Meetings

Details of Special Resolution passed at the Annual General Meeting held during the last three financial years:

| Date of Annual General Meeting | No. of Special Resolution passed | Particulars |
|--------------------------------|----------------------------------|------------------------------------|
| August 9, 2018 | None | ---- |
| September 28, 2017 | None | ---- |
| September 29, 2016 | 1 (One) | Approval of Related Party Contract |

c) Location and time of the Extra Ordinary General Meetings held:

| Financial Year | Date of EGM | Time | Venue |
|----------------|----------------|-----------|--|
| 2018-2019 | March 31, 2019 | 11:00 A.M | 217, 2 nd Floor, Antriksh Bhawan, 22, K.G Marg, New Delhi -110001 |

d) Special Resolutions passed in the Extra Ordinary General Meeting

Approval for sale of investment in Material Subsidiary (*Silver Resorts Hotel India Pvt. Ltd.*) Company.

e) Special Resolution passed last year through postal ballot – details of voting pattern and the procedure thereof

None of the Special Resolutions were passed through postal ballot in the last financial year.

8. MEANS OF COMMUNICATION

a) Quarterly results:

The Company publishes result (quarterly & yearly) un-audited standalone financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results for the complete financial year.

b) Newspapers wherein results normally published:

The quarterly/ half-yearly/ annual financial results get publishes in Financial Express in English Daily and Dainik Herald, Daily editions, Goa.

c) Website, where displayed:

The financial results and the official news releases are also placed on the Company's website at www.bluecoast.in in the 'Investors' section.

d) Official news releases:

The Company regularly publishes an information update on its financial results and also displays official news releases in the 'Investors' section under relevant sections.

9. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting for the financial year 2018-19

| | | |
|-------|---|---|
| Day | : | Friday |
| Date | : | 27 th September, 2019 |
| Time | : | 10.00 A.M. |
| Venue | : | Bogmallo Beach Resort, Bogmallo, Goa - 403806 |

b) Financial Year:

The Financial Year of the Company starts from 1st April of a year and ends on 31st March of the next year.

c) Dividend Payment Date:

Due to absence of profits made by the Company during the year, your Board of Directors did not recommend any dividend.

d) Name and address of each Stock Exchange(s) at which the Company's securities are listed and a confirmation about payment of annual listing fee to each of such Stock Exchange(s):

The equity shares of the Company are listed at:

- The National Stock Exchange of India Limited (NSE), Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051.

- BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

The listing fees for the financial year 2019-20 have been paid by the Company within the stipulated time.

e) **Stock code :**

| NSE | BSE | ISIN |
|-----------|--------|--------------|
| BLUECOAST | 531495 | INE472B01011 |

f) **Market price data - high, low during each month in last financial year:**

Monthly high & low prices and volumes of the equity shares of the Company at the National Stock Exchange of India Limited (Nifty) and BSE Limited (Sensex) during financial year 2018-19 are as under:

| Month | BSE | | | NSE | | |
|--------|--------|--------|---------------|-------|-------|---------------|
| | High | Low | Shares Traded | High | Low | Shares Traded |
| Apr-18 | 112.95 | 92.10 | 1721 | 88.98 | 86.61 | 987 |
| May-18 | 99.00 | 90.30 | 3812 | 80.87 | 79.53 | 1120 |
| Jun-18 | 94.05 | 84.90 | 479 | 81.68 | 81.68 | 640 |
| Jul-18 | 93.55 | 89.10 | 101 | 76.26 | 76.26 | 103 |
| Aug-18 | 98.20 | 98.00 | 7 | 83.63 | 81.60 | 539 |
| Sep-18 | 97.90 | 90.25 | 4326 | 66.96 | 66.08 | 2288 |
| Oct-18 | 90.00 | 90.00 | 5 | 62.48 | 61.26 | 1512 |
| Nov-18 | 94.20 | 85.50 | 12 | 52.71 | 52.70 | 989 |
| Dec-18 | 120.05 | 98.90 | 12 | 57.03 | 56.33 | 2136 |
| Jan-19 | 113.75 | 108.10 | 12 | 53.60 | 53.59 | 1786 |
| Feb-19 | 107.00 | 91.80 | 2084 | 47.50 | 47.50 | 1 |
| Mar-19 | 90.25 | 60.10 | 227 | 45.57 | 42.69 | 16463 |

(Source: NSE & BSE Website)

(NT: Not Traded)

Note: High and low are in rupees per traded share.

g) Performance in comparison to broad-based indices such as BSE (Sensex), NSE (Nifty):

| Month (S) (As on end of last month) | SHARE PRICES COMPARISON | | | |
|--|-------------------------|--------------|-------|-------------|
| | BSE | BSE (Sensex) | NSE | NSE (Nifty) |
| Apr-18 | 112.95 | 35,213.30 | 88.98 | 10,501.06 |
| May-18 | 99.00 | 35,993.53 | 80.87 | 10,717.14 |
| Jun-18 | 94.05 | 35,877.41 | 81.68 | 10,790.44 |
| Jul-18 | 93.55 | 37,644.59 | 76.26 | 11,021.85 |
| Aug-18 | 98.20 | 38,989.65 | 83.63 | 11,532.67 |
| Sep-18 | 97.90 | 38,934.35 | 66.96 | 11,394.10 |
| Oct-18 | 90.00 | 36,616.64 | 62.48 | 10,467.68 |
| Nov-18 | 94.20 | 36,389.22 | 52.71 | 10,670.41 |
| Dec-18 | 120.05 | 36,554.99 | 57.03 | 10,826.06 |
| Jan-19 | 113.75 | 36,701.03 | 53.60 | 10,861.90 |
| Feb-19 | 107.00 | 37,172.18 | 47.50 | 10,891.95 |
| Mar-19 | 90.25 | 38,748.54 | 45.57 | 11,350.40 |

(Source: NSE & BSE Website)

h) In case the securities are suspended from trading, the Directors Report shall explain the reason thereof:

Not applicable.

i) Registrar to an Issue and Share Transfer Agents:

RCMC Share Registry Pvt. Ltd.

B – 25/1, 1st Floor,

Okhla Industrial Area Phase II,

New Delhi 110020

Ph.: 011 – 26387320-21-23

Fax: 011 – 26387322.

Email: investor.services@rcmcdelhi.com

Website: <http://www.rcmcdelhi.com>

j) **Share Transfer System:**

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form.

In case of shares held in physical form, the transferred share certificates duly endorsed are despatched within 15 days from the date of receipt of documents, provided documents are valid and complete in all respects. In compliance of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by him.

In case of request for dematerialization of shares, confirmation of dematerialization is sent to the respective depository i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL), expeditiously

k) Distribution of Shareholding as on March 31, 2019:

| Shareholding of value of Rs. | Shareholders | | Shareholdings | | |
|---------------------------------|--------------|---------------|-----------------|------------------|---------------|
| | Number | % to total | Shares | Amount | % to total |
| Up to 5000 | 987 | 88.60 | 85208 | 852080 | 0.67 |
| 5001 to 10000 | 33 | 2.96 | 25787 | 257870 | 0.20 |
| 10001 to 20000 | 21 | 1.89 | 30753 | 307530 | 0.24 |
| 20001 to 30000 | 26 | 2.33 | 64644 | 646440 | 0.51 |
| 30001 to 40000 | 3 | 0.27 | 10326 | 103260 | 0.08 |
| 40001 to 50000 | 3 | 0.27 | 13888 | 138880 | 0.11 |
| 50001 to 100000 | 4 | 0.36 | 27645 | 276450 | 0.22 |
| 100001 and Above | 37 | 3.32 | 12490206 | 124902060 | 97.97 |
| Grand Total | 1114 | 100.00 | 12748457 | 127484570 | 100.00 |

Ownership Pattern as on March 31, 2019

| | No. of Folio's | % to total Folios | No. of Shares held | % to total Shares |
|--------------------------------|----------------|-------------------|--------------------|-------------------|
| PROMOTERS | | | | |
| Individual | 13 | 1.17 | 10,05,041 | 7.88 |
| Bodies Corporate | 11 | 0.99 | 68,21,454 | 53.51 |
| TOTAL (A) | 24 | 2.16 | 78,26,495 | 61.39 |
| PUBLIC | | | | |
| Foreign Company | 2 | 0.18 | 23,12,162 | 18.14 |
| Bodies Corporate | 51 | 4.58 | 23,55,273 | 18.47 |
| Clearing Members | 12 | 1.08 | 3149 | 0.02 |
| NRI's | 6 | 0.54 | 6,062 | 0.05 |
| Individual | 1019 | 91.47 | 2,45,316 | 1.93 |
| TOTAL (B) | 1,090 | 97.85 | 49,21,962 | 38.61 |
| TOTAL {(A) + (B)} = (C) | 1,114 | 100.00 | 1,27,48,457 | 100.00 |

l) Dematerialization of shares and liquidity:

The detail of shares dematerialized and those held in physical form, as on March 31, 2019.

| Particulars of Shares | Shares | |
|---|--------------------|---------------|
| | Number | % of Total |
| Dematerialized Form | | |
| National Securities Depository Ltd. (NSDL) | 1,26,02,795 | 98.86 |
| Central Depository Services (India) Ltd. (CDSL) | 68,799 | 0.54 |
| Physical Form | 76,863 | 0.60 |
| Total | 1,27,48,457 | 100.00 |

m) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity:

There are no GDRs/ADRs/Warrants outstanding as on March 31, 2019.

n) Commodity price risk or foreign exchange risk and hedging activities:

Not Applicable

o) Property locations:

Not Applicable

p) Address for Correspondence with the Company:

The Company Secretary

Blue Coast Hotels Limited

(Secretarial Department)

415-417, Antriksh Bhawan, 22 KG Marg, Delhi 110001

Telephone: +91 11 23358774 – 775. Fax: +91 11 23358776

Address for Correspondence with the Registrar and Transfer Agents

RCMC Share Registry Pvt. Ltd.

B – 25/1, 1st Floor, Okhla Industrial Area Phase II, New Delhi 110020

Ph.: 011 – 26387320-21-23. Fax: 011 – 26387322.

Email: investor.services@rcmcdelhi.com Website: http: www.rcmcdelhi.com

10. OTHER DISCLOSURES

a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company:

For details on related party transactions in accordance with AS-18, kindly refer to Note No. 34 of Other Notes on Standalone Financial Statement of the Annual Report.

b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

The Company has not been penalized, nor have the Stock Exchanges, SEBI or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets.

- c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee:**
The Company has adopted a Whistle Blower Policy which means alert/ vigilant empowering any person associated with the organization to file a grievance if he/ she notices any irregularity.
No person has been denied access to the Audit Committee for any grievance.
- d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**
The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e) Web link where policy for determining 'material' subsidiaries is disclosed:**
The policy for determining 'material' subsidiaries is available on the website of the Company under 'Policies' in the 'Corporate Governance' section and can be accessed at <http://www.bluecoast.in/#!corporategovernance/c11ar>
- f) Web link where policy on dealing with related party transactions is disclosed:**
The policy for determining 'material' subsidiaries is available on the website of the Company under 'Policies' in the 'Corporate Governance' section and can be accessed at <http://www.bluecoast.in/#!corporategovernance/c11ar>
- g) Disclosure of commodity price risks and commodity hedging activities:**
Not Applicable
- h) Certificate of Practicing Company Secretary for Board of Directors**
A Certificate has been obtained from Mr. P. C. Goel, Company Secretary in practice that none of the Directors on the Board has been debarred or disqualified from being appointed / re-appointed or continuing as Director of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.
- i) Disclosures related to recommendation of Committee(s) of the Board of Directors of the Company**
There is no instance wherein the Board had not accepted any recommendation of any committee of the board which is mandatorily required, during the financial year. The Board had considered all the recommendations of / submissions of the Committee before passing any resolution.
- j) Disclosures related to total fees paid to Statutory Auditors for all their services to the Company and its subsidiary**
Total fees paid to Statutory Auditors for all services provided to the Company and its subsidiaries, on a consolidated basis, are disclosed in Note No. 27 of the Consolidated Financial Statements. The firm of Statutory Auditors does not have any network firm/network entity of which the Statutory Auditors are a part.
- k) Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as follows:**
- (i) Number of complaints filed during the financial year- NIL
 - (ii) Number of complaints disposed of during the financial year-NIL
 - (iii) Number of complaints pending as on end of the financial year-NIL
- 11. DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED.**
- a) The Board: Provision on entitlement of chairperson's office at the expense of the Company in case of a non-executive chairperson is not applicable.
 - b) Shareholder Rights: Quarterly financial statements are published in leading newspapers and uploaded on Company's website www.bluecoast.in.

- c) Modified opinion(s) in audit report: The Auditors have raised no qualification on the financial statements.
- d) Reporting of Internal Auditor: The Company has appointed the Internal Auditors for conducting the internal audit, representatives whereof report to Board of Directors of the Company and has direct access to the Audit Committee.
- 12. DISCLOSURE OF COMPLIANCE OF REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION(2) OF REGULATION 46**
The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 13. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**
The Company does not have any shares in the de-mat suspense account or unclaimed suspense account.
- 14. DECLARATION SIGNED BY THE WHOLE TIME DIRECTOR STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT**
The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. BCHL' Code of Ethics is intended to provide guidance and help in recognizing and dealing with ethical issues, mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability.
The Board has adopted a Code of Ethics for Directors, Senior Management and other Employees of the Company. The Code is available on the website of the Company under 'Policies' in the 'Corporate Governance' section and can be accessed at <http://www.bluecoast.in/#!corporategovernance/c11ar>.
A declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with Corporate Governance Report.
- 15. CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING**
The Company has formulated and implemented a Code of Conduct for the Prevention of Insider Trading, in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct for Prevention of Insider Trading, inter alia, prohibits purchase/sale of Company's shares by employees, while in possession of Company's unpublished and price-sensitive information. The necessary procedures have been laid down for the Directors, designated employees, promoters, connected persons and people deemed to be connected for trading in the Company's securities.
The said Code of Conduct is available on the Company's website.
- 16. CEO/CFO Certification**
As required under Regulations 17 (8) and 33 (2) (a) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, certificates are duly signed by Mr. Kushal Suri, Whole Time Director and Mr. Amit Kumar Singhl, Chief Financial Officer (CFO).
- 17. COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**
The Certificate from the Statutory Auditors of the Company regarding compliance of conditions of corporate governance is annexed with Corporate Governance Report.

For Blue Coast Hotels Limited
Sd/-
Kushal Suri
(Whole Time Director)

Place: New Delhi
Date: 12.08.2019

DECLARATION PURSUANT TO PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

In accordance with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed compliance with Code of Conduct of Board of Directors and Senior Management, as applicable to them, for the year ended 31st March, 2019.

For Blue Coast Hotels Limited

Place: New Delhi
Date: 12.08.2019

Sd/-
Kushal Suri
(Whole Time Director)

CERTIFICATE FROM PRACTICING COMPANY SECRETARY
(Pursuant to clause 10(i) of Schedule V to
SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015)

I Prem Chand Goel Practicing Company Secretary, hereby certify that none of the Directors on the Board of the Blue Coast Hotels Limited (“the Company”), have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI)/Ministry of Corporate Affairs or any such Statutory Authority.

Place: Ghaziabad
Date: 12.08.2019

Sd/-
Prem Chand Goel
Practicing Company Secretary
CP. No: 457

Annexure II

To Whomsoever It May Concern

Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015, I Ashok Kini, hereby confirm that there were no other material reasons other than personal reason of mine to resign from the Directorship of the Company w.e.f 18.02.2019.

Place: New Delhi
Date: 12.08.2019

sd/-
Ashok Kini
(DIN: 00584044)

CEO/CFO CERTIFICATION

We, Kushal Suri, Whole Time Director and Amit Kumar Singhl, Chief Financial Officer, of Blue Coast Hotels Limited, hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2019 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : New Delhi

Date : May 30, 2019

For Blue Coast Hotels Ltd.

Kushal Suri

(Whole Time Director)

For Blue Coast Hotels Ltd

Amit Kumar Singhl

(Chief Financial Officer)

AUDITORS' CERTIFICATE

To,
The Shareholders / Members,
Blue Coast Hotels Limited

We have examined the compliance of conditions of corporate governance by **Blue Coast Hotels Limited**, for the year ended on March 31, 2019, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

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

Place: Ghaziabad
Date: 12.08.2019

Sd/-
Prem Chand Goel
Practicing Company Secretary
CP. No: 457

Independent Auditor's Report

To the Members of Blue Coast Hotels Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone Financial Statements of **Blue Coast Hotels Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response (Principal Audit Procedures) |
|---------|---|---|
| 1 | <p>On account of default in repayment of term loan IFCI initiated recovery proceeding under SARFAESI Act, 2002, against the company and allegedly sold the Hotel property Park Hyatt, Goa for an amount of Rs. 51544.01 Lakhs. On 19.03.2018 Hon'ble Supreme Court of India ordered the Company to handover the possession of the Hotel to the auction purchaser within a period of six months. In compliance of Hon'ble Supreme Court order, the company has handed over the possession of the property Park Hyatt Goa Resort & Spa to the auction purchaser on 19.09.2018.</p> <p>The handing over of only operational asset of the company to the auction purchaser pursuant to aforesaid order has impacted the company's ability to continue as a going concern.</p> <p>(Refer Note. No. 26(a) to the financial statements.)</p> | <p>We collected the following documents:-</p> <p>Copy of order of Hon'ble Supreme Court of India.</p> <p>We read and analyzed the various orders/judgments in respect of the matter.</p> |
| 2 | <p>The Company has availed of its Right to redeem the property u/s 60 of the Transfer of Property Act, 1882 by giving notice to IFCI before handing over the possession of property. The Writ Petition is pending adjudication at Hon'ble High Court of Bombay at Goa. The outcome of the writ petition may have the material impact on the company as a going concern and may also impact the alleged sale of Hotel property at Goa. (Refer Note. No. 26(a) to the financial statements.)</p> | <p>We collected the following documents:-</p> <p>Copy of order of writ petition filed before Hon'ble High Court of Bombay at Goa and other papers related to the matter under reference.</p> <p>We read and analyzed the various orders/judgments in respect of the matter.</p> |
| 3 | <p>The Company sold its entire holding in its subsidiary, Silver Resort Hotel India Private Limited comprising of 27,35,10,000 Equity Shares of Rs.10/- each to the highest buyer, Joy Hotel & Resort Private Limited, a related party, for a consideration of Rs. 15.00 Lakhs pursuant to approval received from equity shareholders.</p> <p>(Refer Note. No. 26 (b) to the financial statements.)</p> | <p>We collected the following documents:-</p> <p>Copy of valuation report of SEBI Registered (Category-I) Merchant Banker, of Equity shares of Silver Resort Hotel India Private limited.</p> |

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the company in accordance with applicable Ind AS and other accounting principles generally accepted in India.

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 judgements 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease the operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factor in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about

the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Matter of Emphasis

We draw attention to Note 26 (a) in the financial statements regarding handing over of only operational asset of the company to the auction purchaser pursuant to Hon'ble Supreme Court order and 26 (e) regarding erosion of net worth, raising significant doubt on the company's ability to continue as a going concern.

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, to the extent applicable.
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 accounts 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), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, 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 its standalone financial statements. (Also refer Note No. 26 (a) of Financial Statement)
 - (ii) The Company did not have any long term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise.
 - (iii) During the year, the company was not liable to transfer any amount to the Investor Education and Protection Fund.

Place : New Delhi
Date : 30th May 2019

For DEWAN AND GULATI
Chartered Accountants
Firm's Regn. No: 03881N

Sd/-
CA. (Dr.) Sunil Gulati
(Partner)
Membership No. 082929

ANNEXURE “A” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the standalone financial statements of Blue Coast Hotels Limited for the year ended 31st March, 2019.)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the information and explanation given to us, the Company has a regular programme of physical verification of its fixed assets. In our opinion, the frequency of physical verification is reasonable having regard to the size and the nature of its assets. As, informed to us, the discrepancies noticed on such verification are not material and have been properly dealt with in the books of accounts.
 - (c) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the title deeds of immovable property are held in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the “Act”). Hence provision of this clause is not applicable.
- (iv) According to the information and explanations given to us and based on audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security, the company has complied with the provisions of section 185 and 186 of the Act.
- (v) The Central Government has not prescribed cost records for the company under section 148(1) of the Act. Hence, the provisions of this clause are not applicable.
- (vi) According to the information and explanations given to us and on the basis of our examination of the records of the company, during the year, the company is regular in depositing amount deducted /accrued in respect of undisputed statutory dues including duty of custom, duty of excise, Cess with the appropriate authorities.
- (vii) According to the information and explanations given to us by the management, the company has not defaulted in repayment of loans or interest to Banks/FIs during the year. Also refer Note No. 26(a) & 26(d) of the Financial Statement during the year.
- (viii) 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/or term loan during the year.
- (ix) 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 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

- (x) According to the information and explanations given to us and on the basis of our verification of books of accounts of the company, the company has paid/provided for Managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V of the Act.
- (xi) In our opinion and according to information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 & 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the company.
- (xiv) 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 transaction with directors or person connected with them during the year. Accordingly, the provision of clause 3(xv) of the Order are not applicable to the company.
- (xv) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934.

Place: New Delhi
Date: 30th May 2019

For DEWAN AND GULATI
Chartered Accountants
Firm's Regn. No: 03881N

Sd/-
CA. (Dr.) Sunil Gulati
(Partner)
Membership No. 082929

ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the standalone financial statements of Blue Coast Hotels Limited for the year ended 31st March 2019)

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 **Blue Coast Hotels Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone 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 (the “Guidance Note”). 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 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 Act.

Auditors' 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 and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial control. 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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 March 31, 2019, 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.

Place : New Delhi
Date : 30th May 2019

For DEWAN AND GULATI
Chartered Accountants
Firm's Regn. No: 03881N

Sd/-
CA. (Dr.) Sunil Gulati
(Partner)
Membership No. 082929

Balance Sheet

As at 31st March, 2019

(Rs. in Lakh)

| | Notes | As at 31.03.2019 | As at 31.03.2018 |
|--|-------|---------------------|---------------------|
| A. ASSETS | | | |
| 1. NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | 2 | 95.62 | 16,468.29 |
| Capital Work In Progress | 2 | - | 4,351.96 |
| Intangible Assets | 2 | 0.05 | 52.73 |
| Financial Assets | | | |
| Investments | 3 | 2,579.36 | 23,140.37 |
| Loans | 4 | - | 467.86 |
| Other Non-Current Assets | 5 | 32.64 | 295.34 |
| | | <u>2,707.67</u> | <u>44,776.54</u> |
| 2. CURRENT ASSETS | | | |
| Inventories | 6 | - | 198.01 |
| Financial Assets : | | | |
| Investments | 7 | 175.90 | - |
| Trade Receivables | 8 | 59.17 | 1,164.58 |
| Cash and Cash Equivalents | 9 | 68.84 | 933.44 |
| Other Current Assets | 10 | 1,250.28 | 1,456.20 |
| | | <u>1,554.19</u> | <u>3,752.23</u> |
| Total | | <u>4,261.86</u> | <u>48,528.78</u> |
| B EQUITY AND LIABILITIES | | | |
| 1. EQUITY | | | |
| Equity Share Capital | 11 | 1,274.85 | 1,274.85 |
| Other Equity | | (8,278.05) | 11,158.33 |
| | | <u>(7,003.20)</u> | <u>12,433.18</u> |
| 2. NON - CURRENT LIABILITIES | | | |
| Financial Liabilities : | | | |
| Borrowings | 12 | 4,150.00 | 4,220.80 |
| Other Financial Liabilities | 13 | - | 98.66 |
| Provisions | 14 | - | 132.61 |
| | | <u>4,150.00</u> | <u>4,452.07</u> |
| 3. CURRENT LIABILITIES | | | |
| Financial Liabilities : | | | |
| Trade Payables | 15 | 160.80 | 1,022.01 |
| Other Financial liabilities | 16 | 6,945.63 | 29,111.75 |
| Other Current Liabilities | 17 | 8.64 | 1,494.44 |
| Provisions | 18 | - | 15.33 |
| | | <u>7,115.07</u> | <u>31,643.54</u> |
| Total | | <u>4,261.86</u> | <u>48,528.78</u> |
| SIGNIFICANT ACCOUNTING POLICIES | 1 | | |
| NOTES ON FINANCIAL STATEMENTS | 2-37 | | |

As per our separate report of even date
For Dewan & Gulati

Chartered Accountants
(Firm Regn. No. 003881N)

CA (Dr.) Sunil Gulati
Partner
M No. 082929
Date: 30.05.2019
Place : New Delhi

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

(Anju Suri)
Director
DIN : 00042033

(Amit Kumar Singhl)
Chief Financial Officer

(Vijay Mohan Kaul)
Director
DIN : 00472888

(Kapila Kandel)
Company Secretary

Statement of Profit and Loss

For the Year Ended 31st March, 2019

(Rs. in Lakh)

| | Notes | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|---|-------|--------------------------|--------------------------|
| REVENUE | | | |
| Revenue from operations | 20 | 5,274.48 | 13,489.24 |
| Other Income | 21 | 247.71 | 143.06 |
| Total Income (I) | | <u>5,522.19</u> | <u>13,632.30</u> |
| EXPENSES | | | |
| Cost of materials Consumed | 22 | 764.10 | 1,900.44 |
| Employee benefits expense | 23 | 1,481.20 | 2,529.71 |
| Finance Costs | 24 | 15,370.46 | 2,427.27 |
| Depreciation and Amortization Expense | 2 | 315.80 | 674.42 |
| Other expenses | 25 | 4,690.73 | 6,266.06 |
| Total expenses (II) | | <u>22,622.29</u> | <u>13,797.91</u> |
| Profit before Exceptional Items & Tax (I-II) | | <u>(17,100.10)</u> | <u>(165.61)</u> |
| Exceptional Items | 26 | (2,278.41) | - |
| Profit before tax | | <u>(19,378.51)</u> | <u>(165.61)</u> |
| Tax Expense | | | |
| Earlier Years | | - | - |
| Tax (MAT) | | - | - |
| MAT Credit Entitlement | | - | - |
| Profit for the Year (III) | | <u>(19,378.51)</u> | <u>(165.61)</u> |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to Profit & Loss : | | | |
| Actuarial Gain/(Loss) on Employee Benefits | | - | 34.98 |
| Other Comprehensive Income for the Year (IV) | | - | - |
| Total Comprehensive Income for the Year (III+IV) | | <u>(19,378.51)</u> | <u>(130.63)</u> |
| Earning per equity share (Face Value of Rs.10/- each) | | | |
| (1) Basic | 32 | (152.01) | (1.31) |
| (2) Diluted | | (152.01) | (1.31) |

SIGNIFICANT ACCOUNTING POLICIES

1

NOTES ON FINANCIAL STATEMENTS

2-37

As per our separate report of even date
For Dewan & Gulati

Chartered Accountants
(Firm Regn. No. 003881N)

CA (Dr.) Sunil Gulati
Partner
M No. 082929
Date: 30.05.2019
Place : New Delhi

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

(Anju Suri)
Director
DIN : 00042033

(Amit Kumar Singh)
Chief Financial Officer

(Vijay Mohan Kaul)
Director
DIN : 00472888

(Kapila Kandel)
Company Secretary

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st March, 2019

A. EQUITY SHARE CAPITAL

| Balance as at 1 st April, 2018 | Change in equity share capital during the year | Balance as at 31 st March, 2019 |
|---|--|--|
| 1,274.85 | - | 1,274.85 |

B. OTHER EQUITY

| Particulars | RESERVES & SURPLUS | | | Other items of other comprehensive income | Total Other Equity |
|---|--------------------|----------------------|-------------------|---|--------------------|
| | General Reserve | "Securities Premium" | Retained Earnings | | |
| Balance as at 1 st April 2018 | 1,552.05 | 8,279.80 | 1326.48 | - | 11,158.33 |
| Prior Period Adjustments | - | - | (57.88) | - | (57.88) |
| Profit for the year | - | - | (19,378.51) | - | (19,378.51) |
| "Other comprehensive income for the year" | - | - | - | - | - |
| "Total Comprehensive income for the year" | - | - | (19,436.38) | - | (19,436.38) |
| Balance as at March 31, 2019 | 1,552.05 | 8,279.80 | (18,109.90) | - | (8,278.05) |

| | |
|---------------------------------|------|
| SIGNIFICANT ACCOUNTING POLICIES | 1 |
| NOTES ON FINANCIAL STATEMENTS | 2-37 |

As per our separate report of even date
For Dewan & Gulati
Chartered Accountants
(Firm Regn. No. 003881N)

CA (Dr.) Sunil Gulati
Partner
M No. 082929
Date: 30.05.2019
Place : New Delhi

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

(Anju Suri)
Director
DIN : 00042033

(Amit Kumar Singh)
Chief Financial Officer

(Vijay Mohan Kaul)
Director
DIN : 00472888

(Kapila Kandel)
Company Secretary

Cash Flow Statement

For the Year Ended 31st March, 2019

(Rs in Lakh)

| | Notes | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|---|-------|--------------------------|--------------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES : | | | |
| Net Profit/(Loss) before Tax and extraordinary items | | (19,378.51) | (165.61) |
| Adjustments for : | | | |
| Depreciation for the year | | 315.80 | 674.42 |
| Tax Expense Prior period | | (57.88) | (109.57) |
| Finance cost | | 15,370.46 | 2,427.27 |
| Investment incorporated in books | | - | 2.34 |
| OCI Gratuity | | - | 34.98 |
| | | <u>15,628.39</u> | <u>3,029.45</u> |
| Operating profit before working capital changes | | (3,750.12) | 2,863.84 |
| Changes in current assets and current liabilities | | | |
| Trade Receivables | | 1,105.41 | (200.68) |
| Other Current Assets | | 205.93 | 3,366.92 |
| Inventories | | 198.01 | 104.61 |
| Current liabilities | | (861.21) | 539.07 |
| Cash generated from operations | | (3,101.99) | 6,673.77 |
| Tax Expense Prior period | | - | - |
| NET CASH GENERATED FROM OPERATING ACTIVITIES | | (3,101.99) | 6,673.77 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Sale / (Purchase) of Property, Plant & Equipment's (Net) | | 20,461.51 | (4,481.25) |
| Long Term Loans & Advances | | (70.80) | (16.76) |
| Purchase of Investments - Short Term | | (175.90) | 250.00 |
| Sale / Investment in Other Non-Current Assets | | 21,291.56 | (189.18) |
| NET CASH USED IN INVESTING ACTIVITIES | | 41,506.37 | (4,437.18) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Finance cost (net) | | (15,370.46) | (2,427.27) |
| Other Non Current Liabilities | | (231.27) | (32.48) |
| Change in Other Financial liabilities | | (22,166.13) | - |
| Change in Other Long Term Liabilities& Provisions (Net) | | (1,501.13) | 148.68 |
| NET CASH USED IN FINANCING ACTIVITIES | | (39,268.98) | (2,311.07) |
| Net Increase/(Decrease) in Cash and Cash equivalents(A+B+C) | | (864.60) | (74.48) |
| Cash and Cash equivalents as at beginning of the year | | 933.44 | 1,007.92 |
| Cash and Cash equivalents as at end of the year | | 68.84 | 933.44 |
| Bank Balances other than Cash and Cash Equivalents | | | |
| SIGNIFICANT ACCOUNTING POLICIES | 1 | | |
| NOTES ON FINANCIAL STATEMENTS | 2-37 | | |

As per our separate report of even date
For Dewan & Gulati

Chartered Accountants
(Firm Regn. No. 003881N)

CA (Dr.) Sunil Gulati
Partner
M No. 082929
Date: 30.05.2019
Place : New Delhi

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

(Anju Suri)
Director
DIN : 00042033

(Amit Kumar Singhl)
Chief Financial Officer

(Vijay Mohan Kaul)
Director
DIN : 00472888

(Kapila Kandel)
Company Secretary

I. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

Company Overview

Blue Coast Hotels Limited (“the Company”) is a Public limited Company incorporated and domiciled in India and has its listing on the BSE Limited and National Stock Exchange of India Limited. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The Company is in the business of Hospitality.

1.1 Basis for preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 (“the Act”) and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on May 30, 2019.

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

Operating Cycle

Based on the nature of products/activities of the company and normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.2 Use of Estimates and Judgements

The presentation of financial statements in conformity with Ind AS requires the management of the company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported balances of assets and liabilities, disclosures of contingent assets and liabilities as at the date of financial statements and the reported amount of revenues and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provisions for income taxes, useful life of depreciable assets and provisions for impairments & others.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances

surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

1.3. Property, Plant and Equipment (PPE)

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

- a) Free hold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected significant costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.
- b) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.
- c) Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- d) The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.4 Intangible Assets and Amortisation

Internally generated Intangible Assets - Research and Development expenditure

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset and/or benefits are expected over more than one period, otherwise such expenditure is charged to the Statement of Profit and Loss.

Expenditure providing benefits for more than one period is amortised proportionately over the periods during which benefits are expected to occur.

Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

1.5 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

- a) Depreciation on fixed assets is provided on straight-line method at the rates prescribed by the schedule II of the Companies Act, 2013 and in the manner as prescribed by it except assets costing less than Rs. 5000/- on which depreciation is charged in full during the year.
- b) Intangible assets are amortized over their respective individual estimated useful life on straight line basis, commencing from the date the asset is available to the company for its use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, etc. The amortization method and useful lives are reviewed periodically at end of each financial year.

1.6. Valuation of inventories

Stocks of raw materials and other ingredients have been valued on First in First Out (FIFO) basis, at cost or net realizable value whichever is less, finished goods and stock-in-trade have been valued at lower of cost and net realizable value, work-in-progress is valued at raw material cost up to the stage of completion, as certified by the management on technical basis. Goods in transit are carried at cost.

1.7. Foreign Currency Transactions / Translations

- i) Transactions denominated in foreign currency are recorded at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.
- ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
- iii) Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- iv) Foreign exchange differences recorded as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.
- v) In case of long term monetary items outstanding as at the end of year, exchange differences arising on settlement / restatement thereof are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / up to the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.

1.8 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

The dividend on the Cumulative Redeemable Preference shares is provided on an annual basis as per the stipulation of Ind AS.

1.9 Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of minimum lease payments at the inception of lease, whichever is lower. Lease under which the risks and rewards incidental to ownership are not transferred to lessee, is classified as operating lease. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term.

2.0 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

i) Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

ii) Subsequent measurement

a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

d) Investments in subsidiaries, joint ventures and associates

The Company has adopted to measure investments in subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

e) Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

iii) Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

iv) Fair value measurement of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

2.1 Impairment of Assets

i) **Financial Assets**

In accordance with Ind AS 109, the company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

ii) **Non-Financial Assets**

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

2.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- a) Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is exclusive of taxes and duties and net of returns, trade discounts and rebates.
- b) Dividend income is accounted for when the right to receive the income is established.

2.3 Interest

Interest income from a financial asset is recognized when it is probable that the economic benefits will be flow to the company and the amount of income can be measured reliably.

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the

estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2.4 Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.5 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.6 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

2.7 Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as at beginning of the period, unless they have been issued at a later date.

2.8 Employee Retirement benefits

i) Short term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

ii) **Post-employment benefits**

Defined contribution plans –

Retirement benefits in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans –

Gratuity

The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity payment plan provides for a lump sum payment to the vested employees at retirement, death, incapacitation while in employment or on termination of employment of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of service.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected cost method. Re-measurements comprising of actuarial gains and losses, are recognised in other comprehensive income which are not reclassified to profit or loss in the subsequent periods.

iii) **Long-term employee benefits**

Leave Encashment

The liability of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

2.9 Segment Reporting

The company operates in one reportable business segment i.e. "Hospitality".

3.0 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

2 D) PROPERTY, PLANT AND EQUIPMENTS
TANGIBLE ASSETS - Refer (i)

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | | CARRYING VALUE | | |
|--|------------------|-----------------|------------------|----------------|------------------|-------------------------------|---------------|------------------|----------------|----------------|
| | As at 01.04.18 | Additions | Deductions | As at 31.03.19 | As at 01.04.18 | Adjustment in opening Balance | For the year | Deductions | As at 31.03.19 | As at 31.03.18 |
| Land and Site development | | | | | | | | | | |
| - Land | 1,696.97 | - | 1,665.36 | 11.61 | - | - | - | - | 11.61 | 1,696.97 |
| - Site Development Buildings | 326.83 | - | 326.83 | - | - | - | - | - | - | 326.83 |
| - Hotel | 15,835.02 | - | 15,835.02 | - | 3,652.69 | - | 117.21 | 3,769.90 | - | 12,182.33 |
| - Others | 20.42 | - | - | 20.42 | 7.44 | - | 0.32 | - | 7.76 | 12.98 |
| Plant and Equipment | 4,904.51 | 41.57 | 4,946.08 | - | 3,291.55 | - | 121.13 | 3,412.68 | - | 1,612.97 |
| Electrical Installations | 815.75 | - | 800.24 | 15.51 | 719.48 | - | 11.17 | 721.37 | 9.28 | 96.27 |
| Furniture's & Fixtures - Hotel | 1,630.42 | 1.02 | 1,631.44 | - | 1,529.35 | (1.72) | 1.74 | 1,529.37 | - | 101.09 |
| Furniture's & Fixtures - Others | 108.32 | - | - | 108.32 | 100.94 | 1.72 | 0.04 | - | 102.69 | 7.40 |
| Vehicles | 441.34 | - | 276.59 | 164.75 | 320.66 | - | 23.82 | 233.49 | 110.99 | 120.70 |
| Office Equipment's | 60.46 | - | 60.46 | - | 54.55 | - | 0.49 | 55.04 | - | 5.86 |
| Operating Equipment | 574.79 | - | 574.79 | - | 330.51 | - | 20.11 | 350.62 | - | 244.29 |
| Computers | 183.44 | 1.53 | 167.61 | 17.35 | 122.85 | - | 9.14 | 120.37 | 11.62 | 60.61 |
| Total | 26,598.27 | 44.11 | 26,304.42 | 337.96 | 10,130.01 | - | 305.17 | 10,192.84 | 242.35 | 95.62 |
| Previous Year | 26,339.36 | 293.90 | 34.96 | 26,598.30 | 9,500.68 | - | 654.73 | 25.40 | 10,130.01 | 16468.29 |
| II) CAPITAL WORK-IN-PROGRESS Refer (ii) | | | | | | | | | | |
| CWIP | 4,351.96 | 3,231.02 | 7,582.98 | - | - | - | - | - | - | 4,351.96 |
| Previous Year | 163.26 | 5,197.29 | 1,008.59 | 4,351.96 | - | - | - | - | - | - |
| III) INTANGIBLE ASSETS | | | | | | | | | | |
| Computer Software | 160.63 | - | 159.72 | 0.91 | 107.89 | - | 10.63 | 117.66 | 0.86 | 0.05 |
| Previous Year | 152.44 | 8.18 | - | 160.62 | 88.20 | - | 19.69 | - | 107.89 | 52.73 |
| GRAND TOTAL | | | | | | | | | | |
| Current Year | 31,110.86 | 3,275.14 | 34,047.11 | 338.88 | 10,237.90 | - | 315.80 | 10,310.50 | 243.21 | 95.67 |
| Previous Year | 26,655.06 | 5,499.37 | 1,043.55 | 31,110.88 | 9,588.88 | - | 674.42 | 25.40 | 10,237.90 | 20,872.98 |

Notes on Financial Statements

Ended 31st March 2019

(Rs in Lakh)

| | As at 31.03.2019 | As at 31.03.2018 |
|--|---------------------|---------------------|
| 3 INVESTMENTS (NON-CURRENT) | | |
| A. Trade Investments (At Cost Unless Stated Otherwise) | | |
| (a) Unquoted | | |
| <u>Subsidiary Companies</u> | | |
| (i) 50,000 (P.Y. 50,000) Equity Shares of Rs.10/- each fully paid up of Blue Coast Hospitality Ltd | 5.00 | 5.00 |
| (ii) 18,85,10,000 (P.Y. 18,85,10,000) Equity Shares of Rs.10/- each fully paid up of Silver Resort Hotel India Pvt. Ltd- (Refer Note 27 (a)) | - | 18,851.00 |
| (iii) 50,000 (P.Y. 50,000) Equity Shares of Rs.10/- each fully paid up of Golden Joy Hotel Pvt. Ltd | 5.00 | 5.00 |
| | <u>10.00</u> | <u>18,861.00</u> |
| B. Other Investments (At Cost Unless Stated Otherwise) - | | |
| <u>Unquoted</u> | | |
| 15,600 (P.Y.15,600) Equity Shares of Rs.10/- each fully paid up of Joy Hotel & Resorts Pvt. Ltd - Ref Note (a) | 4,275.02 | 4,275.02 |
| Less : Provision For diminution on value of investment | 1,710.01 | - |
| | <u>2,565.01</u> | <u>4275.02</u> |
| 4,020 (P.Y. 4,020) Equity Shares of Rs.50/- each fully paid up of Dombvli Nagari Sehkari Bank Limited | 2.01 | 2.01 |
| 46,800 Equity Shares of Rs.5/- each fully paid up of VMF Sofittech Limited | 2.34 | 2.34 |
| | <u>2,569.36</u> | <u>4,279.37</u> |
| Total (A+B) | <u>2,579.36</u> | <u>23,140.37</u> |
| Aggregate amount of unquoted investment | 2,579.36 | 23,140.37 |
| (a) All 15,600 equity share of Rs. 10/- each fully paid up of Joy Hotel & Resorts (P) Limited are pledged with term lenders for securing the term loans, interest & other charges payable thereon as availed by the Joy Hotel & Resorts Pvt. Ltd for its upcoming five star hotel project at Chandigarh. | | |

| | | (Rs in Lakh) | |
|----------|--|--------------|---------------|
| | | As at | As at |
| | | 31.03.2019 | 31.03.2018 |
| 4 | <u>LOANS</u> | | |
| | <u>Unsecured</u> | | |
| | (Considered Doubtful) | | |
| | Loans & Advances to subsidiaries :- | | |
| | Blue Coast Hospitality Limited (Maximum balance outstanding during the year- Rs. 208.24 Lakh) | 208.51 | 208.03 |
| | Less : Provision | (208.51) | - |
| | | <u>-</u> | <u>208.03</u> |
| | Golden Joy Hotel Pvt. Limited (Maximum balance outstanding during the year- Rs. 260.00 Lakh) | 260.00 | 259.83 |
| | Less : Provision | (260.00) | - |
| | | <u>-</u> | <u>259.83</u> |
| | | <u>-</u> | <u>467.86</u> |
| 5 | <u>OTHER NON CURRENT ASSETS</u> | | |
| | <u>Unsecured</u> | | |
| | (Considered good) | | |
| | Security Deposits | 32.64 | 295.34 |
| | | <u>32.64</u> | <u>295.34</u> |
| 6 | <u>INVENTORIES</u> | | |
| | (At cost or Net Realizable Value whichever is lower) | | |
| | Operating Inventories | - | 198.01 |
| | | <u>-</u> | <u>198.01</u> |
| 7 | <u>INVESTMENTS</u> | | |
| | Non Trade Investments | | |
| | Investments in Mutual Funds | | |
| | Quoted | | |
| | 35.0550 Units (PY - NIL) of Aditya Birla Sun Life Liquid-Growth [Market value Rs 299.0054 per unit] | 0.10 | - |

| | (Rs in Lakh) | |
|--|---------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| 5.0780 Units (PY - NIL) of Axis Liquid-Growth [Market value Rs. 2065.0995 per unit] | 0.10 | - |
| 3.9410 Units (PY - NIL) of DSPBR Liquidity Reg-Growth [Market value Rs 2658.5774 per unit] | 0.10 | - |
| 3.7650 Units (PY - NIL) of Franklin India Liquid Super Inst-Growth [Market value Rs 2788.1633 per unit] | 0.10 | - |
| 38.0470 Units (PY - NIL) of ICICI Prudential Liquid - Growth [Market value Rs 275.4187 per unit] | 0.10 | - |
| 4.6370 Units (PY - NIL) of IDFC Cash Regular-Growth [Market value Rs 2,257.4470 per unit] | 0.10 | - |
| 2.7770 Units (PY - NIL) of Kotak Liquid Reg - Growth [Market value Rs. 3,772.6954 per unit] | 0.10 | - |
| 2.3100 Units (PY - NIL) of Reliance Liquid - Growth [Market value Rs 2.3100 per unit] | 0.10 | - |
| 2,916.3058 Units (PY - NIL) of SBI Premier Liquid - Growth [Market value Rs. 3.5920 per unit] | 0.10 | - |
| 5920.8440 Units (PY - NIL Units) of UTI Liquid Reg - Growth [Market value Rs 3,049.9273 per unit] | 175.00 | - |
| | <u>175.90</u> | <u>-</u> |
| Aggregate value of quoted investment | 175.90 | - |
| Aggregate market value of quoted investment | 181.52 | - |
| Investments are stated at cost of acquisition. | | |
| 8 <u>TRADE RECEIVABLES</u> | | |
| Trade receivables outstanding for a period exceeding six months | | |
| Unsecured - | | |
| considered good | - | - |
| Less : Allowance for doubtful debts | - | - |
| | <u>-</u> | <u>-</u> |

| | (Rs in Lakh) | |
|--|---------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| Other Debts | | |
| Unsecured - considered good | 59.17 | 1,164.58 |
| | <u>59.17</u> | <u>1,164.58</u> |
| 9 CASH AND CASH EQUIVALENTS | | |
| Balances with banks | | |
| Current Accounts | 68.10 | 924.51 |
| Cash on hand | 0.74 | 8.93 |
| | <u>68.84</u> | <u>933.44</u> |
| 10 OTHER CURRENT ASSETS | | |
| (Unsecured considered good, unless otherwise stated) | | |
| Balance with Revenue Authorities | 891.18 | 948.55 |
| Loans & advances to employees | 14.06 | 12.53 |
| Advances with Suppliers & Others | 345.03 | 495.13 |
| | <u>1,250.28</u> | <u>1,456.20</u> |

11 A. Equity Share Capital

| | As at March 31, 2019 | | As at March 31, 2018 | |
|--|----------------------|-----------------------|----------------------|-----------------------|
| | Nos. of Shares | Amount (Rs./Lakhs) | Nos. of Shares | Amount (Rs./Lakhs) |
| Authorised | | | | |
| Equity Shares of Rs. 10/- each | 26,500,000 | 2,650.00 | 26,500,000 | 2,650.00 |
| Issued, Subscribed & paid up | | | | |
| Equity Shares of Rs. 10/- each (33000 Shares not paid up) | 12,748,457 | 1,274.85 | 12,748,457 | 1,274.85 |

Reconciliation of the numbers and amount of Equity shares -

| For the year ended | As at March 31, 2019 | | As at March 31, 2018 | |
|---|----------------------|-----------------------|----------------------|-----------------------|
| | Nos. | Amount (Rs./Lakhs) | Nos. | Amount (Rs./Lakhs) |
| Outstanding at beginning of the year | 12,748,457 | 1,274.85 | 12,748,457 | 1,274.85 |
| Add : Shares issued during the year | - | - | - | - |
| Less : Shares bought back during the year | - | - | - | - |
| Outstanding at the end of year | 12,748,457 | 1,274.85 | 12,748,457 | 1,274.85 |

B. Shareholders holding more than 5% shares -

i) Equity Shares

| Name of Shareholder | As at March 31, 2019 | | As at March 31, 2018 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Ferry Holdings Limited | 1,162,162 | 9.12% | 1,162,162 | 9.12% |
| Jetty Capital Limited | 1,150,000 | 9.02% | 1,150,000 | 9.02% |
| Solace Investment & Financial Services Private Limited | 1,146,196 | 8.99% | 1,146,196 | 8.99% |
| Northern Projects Limited* | 970,000 | 7.61% | 970,000 | 7.61% |
| Seed Securities & services Private Limited | 645,311 | 5.06% | 645,311 | 5.06% |
| Solitary Investment & Financial Services Private Limited | 645,243 | 5.06% | 645,243 | 5.06% |

C. Rights, preferences and restrictions attached to each class of Shares and terms of redemption :

- i) The company has two classes of shares referred as equity shares and preference shares having a par value of Rs. 10/- each and par value of Rs. 100/- respectively. Each holder of equity shares is entitled to one vote per share, whereas in terms of Section 47(2) of the Companies Act, 2013, the Preference Shareholders are entitled to vote on every resolution placed before the company in the General Meeting as per law applicable from time to time. 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 against the above resolution which the Company is contesting.

- ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of preferential amounts. The distribution will be in the proportion of the number of equity shares held by the shareholders.
- D. There is no call unpaid as on 31.03.2019
- E. No shares have been forfeited by the company during the year.

| | | | (Rs in Lakh) | |
|-----------|--------------------------------------|--|-----------------|-----------------|
| | | | As at | As at |
| | | | 31.03.2019 | 31.03.2018 |
| 12 | BORROWINGS | | | |
| | Secured | | | |
| | Term Loans from Banks | | - | - |
| | Term Loan for Hypothecation purchase | | - | 70.80 |
| | Unsecured | | | |
| | Preference Shares | | 4,150.00 | 4,150.00 |
| | | | <u>4,150.00</u> | <u>4,220.80</u> |

Preference Share Capital

under the previous GAAP, preference shares were shown as part of equity and carried at cost. Redeemable preference shares contain a contractual obligation to deliver cash to the holders. Under Ind AS the same is classified as liability. Dividend on cumulative preference shares has accordingly been shown as part of finance cost.

| | As at March 31, 2019 | | As at March 31, 2018 | |
|--|----------------------|-----------------------|----------------------|-----------------------|
| | Nos. of Shares | Amount (Rs./Lakhs) | Nos. of Shares | Amount (Rs./Lakhs) |
| Authorised | | | | |
| Preference Shares of Rs. 100/- each | 8,150,000 | 8,150.00 | 8,150,000 | 8,150.00 |
| Issued , Subscribed & paid up | | | | |
| 41,50,000, 10% Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up | 4,150,000 | 4,150.00 | 4,150,000 | 4,150.00 |

Reconciliation of the numbers and amount of Preference shares

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|----------------------|----------|----------------------|----------|
| | Nos. | Amount | Nos. | Amount |
| Outstanding at beginning of the year | 4,150,000 | 4,150.00 | 4,150,000 | 4,150.00 |
| Add : Shares issued during the year | - | - | - | - |
| Less : Shares bought back during the year | - | - | - | - |
| Outstanding at the end of year | 4,150,000 | 4,150.00 | 4,150,000 | 4,150.00 |

C. Rights, preferences and restrictions attached to each class of Shares and terms of redemption :

- i) The company has two classes of shares referred as equity shares and preference shares having a par value of Rs. 10/- each and par value of Rs. 100/- respectively. Each holder of equity shares is entitled to one vote per share, whereas in terms of Section 47(2) of the Companies Act, 2013 , 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.
- iii) Capital Redemption Reserve for redemption of Preference Shares is not created during the year because of unavailability of surplus.

D. Shareholders holding more than 5% shares -

Preference Shares

| Name of Shareholder | As at 31.03.2019 | | As at 31.03.2018 | |
|---|------------------|------|------------------|------|
| Brook Investment & Financial Services Private Limited | 350,000 | 8.43 | 350,000 | 8.43 |
| Concept Credit & Consultants Private Limited | 350,000 | 8.43 | 350,000 | 8.43 |
| Epitome Holdings Private Limited | 400,000 | 9.64 | 400,000 | 9.64 |
| Liquid Holdings Private Limited | 400,470 | 9.65 | 400,470 | 9.65 |
| Mid-Med Financial Services Private Limited | 399,600 | 9.63 | 399,600 | 9.63 |
| React Investment & Financial Services Private Limited | 400,000 | 9.64 | 400,000 | 9.64 |
| Scope Credit & Financial Services Private Limited | 400,000 | 9.64 | 400,000 | 9.64 |

| | | | | |
|--|---------|------|---------|------|
| Solace Investment & Financial Services Private Limited | 350,000 | 8.43 | 350,000 | 8.43 |
| Solitary Investment & Financial Services Private Limited | 350,000 | 8.43 | 350,000 | 8.43 |
| Square Investment & Financial Services Private Limited | 400,000 | 9.64 | 400,000 | 9.64 |
| Seed Securities & Services Private Limited | 349,930 | 8.43 | 349,930 | 8.43 |

(Rs. in Lakh)

| | As at 31.03.2019 | As at 31.03.2018 |
|--|---------------------|---------------------|
| 13 OTHER FINANCIAL LIABILITIES (NON-CURRENT) | | |
| Earnest Money Deposit from shops within hotel | - | 50.00 |
| Sundry Creditors for Capital Expenditures | - | 48.66 |
| | <u>-</u> | <u>98.66</u> |
| 14 PROVISIONS (NON-CURRENT) | | |
| Provision for employees' benefits:- | | |
| -Gratuity (unfunded) | - | 111.84 |
| -Leave Encashment (Unfunded) | - | 20.76 |
| | <u>-</u> | <u>132.61</u> |
| 15 TRADE PAYABLES | | |
| Total outstanding dues of micro enterprises and small enterprises | - | - |
| Total outstanding dues other than of micro enterprises and small enterprises* | 160.80 | 1,022.01 |
| | <u>160.80</u> | <u>1,022.01</u> |
| *The company has identified Micro & Small enterprises only on the basis of information available with the company. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006. | | |
| 16 OTHER FINANCIAL LIABILITIES - CURRENT | | |
| i. Working capital loans from banks including interest thereon - Disputed | - | 1,119.12 |
| ii. Current maturities of Non Convertible Debentures - Disputed | - | 10,000.00 |
| iii. Current maturities of term loans from financial institutions - Disputed | - | 11,368.91 |
| iv. Current maturities of term loan for hypothecation purchase | 76.70 | 18.94 |
| v. Cumulative dividend on Redeemable Preference Shares | 6,823.48 | 6,408.46 |

| | (Rs in Lakh) | |
|--|---------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| vi Employee benefits payable - | - | 109.89 |
| -Salaries & benefits | 45.45 | 19.52 |
| -Provident fund /ESI | - | 66.90 |
| | <u>6,945.63</u> | <u>29,111.75</u> |
| 17 OTHER CURRENT LIABILITIES | | |
| i. Advance received from customers | - | 534.24 |
| ii Direct Tax | 2.61 | 59.90 |
| iii Indirect Tax | 4.68 | 371.04 |
| iv Provisions For Expenses Payable | 1.35 | 529.26 |
| | <u>8.64</u> | <u>1,494.44</u> |
| 18 PROVISIONS (CURRENT) | | |
| Provision for Employees' benefits : | | |
| -Gratuity (unfunded) | - | 10.17 |
| -Leave Encashment (Unfunded) | - | 5.16 |
| | <u>-</u> | <u>15.33</u> |
| 19 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) | | |
| <u>Guarantees</u> | | |
| - For securing loans of upcoming hotel project at Chandigarh of Joy Hotel & Resorts Private Limited | 6,500.00 | 6,500.00 |
| -For operation of the company | - | 17.12 |
| <u>Other money for which company is contingently liable</u> | | |
| - Disputed Claim for a short fall of buy back of equity share capital of subsidiary company Silver Resort Hotel India (P) Limited | - | 8,500.00 |
| | <u>6,500.00</u> | <u>15,017.12</u> |

| | (Rs in Lakh) | |
|---|---------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| 20 REVENUE FROM OPERATIONS | | |
| Room Income | 3,247.51 | 8,876.11 |
| Food & Beverages | 1,273.47 | 2,839.35 |
| Alcoholic Beverages | 572.14 | 1,275.65 |
| Communications | 0.19 | 0.74 |
| Others | 181.16 | 497.40 |
| | <u>5,274.48</u> | <u>13,489.24</u> |
| 21 OTHER INCOME | | |
| Interest Income | 20.36 | 14.79 |
| Dividend received on investments | 0.01 | 0.22 |
| Miscellaneous Income | 227.35 | 128.04 |
| | <u>247.71</u> | <u>143.06</u> |
| 22 COST OF MATERIALS, STORES & SUPPLIES CONSUMED | | |
| Stores & Spares | | |
| Opening Stock | - | 126.02 |
| Add : Purchases | 119.16 | 357.45 |
| | <u>119.16</u> | <u>483.47</u> |
| Less: Closing Stock | - | - |
| Total (a) | <u>119.16</u> | <u>483.47</u> |
| Operating Inventories | | |
| Opening Stock | 198.01 | 176.60 |
| Add : Purchases | 446.93 | 1,438.38 |
| | <u>644.94</u> | <u>1,614.98</u> |
| Less Closing Stock | - | 198.01 |
| Total (b) | <u>644.94</u> | <u>1,416.97</u> |
| Total (a)+(b) | <u>764.10</u> | <u>1,900.44</u> |

| | (Rs in Lakh) | |
|---|---------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| 23 EMPLOYEE BENEFITS EXPENSE | | |
| Salaries and Wages | 1,132.90 | 2,008.57 |
| Gratuity & Leave Encashment | 122.34 | (7.43) |
| Contribution to Provident Fund and ESI | 56.92 | 119.52 |
| Staff Welfare | 169.04 | 409.06 |
| | <u>1,481.20</u> | <u>2,529.71</u> |
| 24 FINANCE COST | | |
| Interest | 15,357.90 | 2,424.42 |
| Bank charges | 12.56 | 2.84 |
| | <u>15,370.46</u> | <u>2,427.27</u> |
| <p>Finance cost amounting to Rs. 15370.46 Lakhs includes accumulated interest and finance charges of Rs. 10221.62 Lakhs appropriated by financial institution during the year out of proceeds of hotel property for the payment of interest on term loan and Non - Convertible Debentures .</p> | | |
| 25 OTHER EXPENSES | | |
| Telephone | 22.19 | 50.92 |
| Power & Fuel | 409.98 | 835.07 |
| Rent | 44.02 | 57.30 |
| Repair to buildings | 68.74 | 379.95 |
| Repairs to machinery | 180.94 | 1,114.26 |
| Insurance | 15.65 | 21.82 |
| Rates and Taxes | 0.64 | 5.41 |
| Auditors Remuneration | 11.24 | 22.00 |
| Legal and Professional Charges | 423.09 | 678.67 |
| Travelling Expenses | 122.67 | 334.73 |
| Selling and Advertisement Expenses | 321.44 | 1,050.20 |
| Stock written off | 142.13 | - |

| | (Rs in Lakh) | |
|---|---------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| Management fees | 358.73 | 938.68 |
| Printing & Stationery | 15.48 | 35.77 |
| Exchange Fluctuation | 7.35 | - |
| Provision for diminution on value of investment | 1,710.01 | - |
| Miscellaneous Expenses | 836.43 | 741.26 |
| | <u>4,690.73</u> | <u>6,266.06</u> |

26 **EXCEPTIONAL ITEMS (Net)**

A. Surplus from auction of hotel property at Goa (Refer Note (a))

| | | |
|---|------------------|----------|
| Proceeds from auction of the hotel property | 51,544.01 | - |
| Less : Carrying cost of assets | (16,136.27) | - |
| Surplus From Auction of Hotel Property at Goa | <u>35,407.74</u> | <u>-</u> |

B. Loss on sale of investment in subsidiary (Refer Note (b))

| | | |
|---|--------------------|----------|
| Sale proceeds from sale of 27,35,10,000 Equity Shares of Rs.10/- each fully paid up of Silver Resort Hotel India Pvt. Ltd | 15.00 | - |
| Less: Cost of 18,85,10,000 Equity Shares of Rs.10/- each fully paid up of Silver Resort Hotel India Pvt. Ltd | (18,851.00) | - |
| Less: Cost of 8,50,00,000 Equity Shares of Rs.10/- each fully paid up of Silver Resort Hotel India Pvt. Ltd | (18,850.15) | - |
| Net Loss on sale of investment in subsidiary | <u>(37,686.15)</u> | <u>-</u> |
| Total (A+B) | <u>(2,278.41)</u> | <u>-</u> |

(a) Due to delay in execution of project by SRHIPL and consequent default by the Company in debt servicing, IFCI initiated recovery proceeding under SARFAESI Act, 2002, against the company and allegedly sold the Hotel Park Hyatt, Goa for an amount of Rs. 51544.01 Lakhs. On 19.03.2018 Hon'ble Supreme Court of India ordered the Company to handover the possession of the Hotel to the auction purchaser within a period of six months. In compliance of Hon'ble Supreme Court order, the company has handed over the possession of the property Park Hyatt Goa Resort & Spa to the auction purchaser on 19.09.2018. The handing over of only operational asset of the company to the auction purchaser pursuant to aforesaid order has impacted the company's ability to continue as a going concern. The Company availed its Right

to Redeem the property u/s 60 of the Transfer of Property Act, 1882 by giving notice to IFCI on 07.09.2018, before handing over the possession of property. The Writ Petition for Redemption of the property is pending adjudication at the Hon'ble High Court of Bombay at Goa. The outcome of the writ petition may have the material impact on the company as a going concern and may also impact the alleged sale of Hotel property at Goa.

- (b) On February 26, 2010 a Development Agreement (DA) for the development of Hotel at Aerocity Delhi was signed between Delhi International Airport Private Ltd. (DIAL) and subsidiary company namely Silver Resorts Hotels (India) Private Limited (SRHIPL) for development of Five Star Luxury hotel at Asset Area no 3, Aerocity Delhi. The company also signed Infrastructure Development and Services Agreement (IDSA) on February 26, 2010 with DIAL for the development of common infrastructure facilities and infrastructure services at the hospitality district at Delhi Aerocity. SRHIPL paid a sum of Rs. 283.04 Crores towards Security Deposit, Advance Development Cost, License Fee and other charges to DIAL. However, there was delay and default in the payment of License Fees and some of the other dues to DIAL on time on account of various factors including non-receipt of security clearance, and delay in financial closure. Consequently, by exercising its rights under aforesaid agreements DIAL terminated the aforesaid Project Agreements (viz., DA and IDSA) and took over the possession of the land from SRHIPL. As the possession of plot at Asset Area 3 was taken back by DIAL, SRHIPL lost its entire investment including amount paid to DIAL and infrastructure developed on allotted land, finance and administrative costs incurred over last 8 years. In order to raise funding for investment in SRHIPL, the Company (Blue Coast Hotels Limited) had given collateral security of its Hotel Property Park Hyatt, Goa and had also pledged part of its equity holding comprising of 8.85 Crore Shares of Rs. 10/- each, in SRHIPL to the financial institution, IFCI, who was also a joint venture partner in SRHIPL holding 8.50 Crores Equity Shares of Rs. 10/- each. The total subscribed capital of Rs. 273.51 Crores of SRHIPL was held jointly by Blue Coast Hotel Limited (the company) and IFCI for Rs. 188.51 Crores and Rs. 85.00 Crores respectively. There had been complete erosion in the value of the investment done by the Company in the subsidiary (SRHIPL) since the allotment of the the plot has been cancelled and License agreements DA and IDSA signed in 26.02.2010 have been terminated. The Company appointed a SEBI Registered (Category-I) Merchant Banker for ascertaining the valuation of its investment in SRHIPL which had gone bad. The Merchant Banker valued the share at Rs. (-)1.77 per share. Since the SRHIPL continues to incur losses and its liabilities exceed the value of the assets, In view of the negative net worth & mounting liabilities the Company decided to hive off the investment in SRHIPL. Subsequently, the Company sold entire 27,35,10,000 Equity Shares of Rs.10/- each of SRHIPL to the highest buyer, Joy Hotel & Resort Private Limited, a related party, for a consideration of Rs. 15,00,000/- pursuant to approval received from equity shareholders.
- (c) No provision of Income tax (Normal Tax/MAT) under the Income tax Act, 1961 has been made on surplus after adjusting loss on sale of investment, payment of interest on term loan & Non - Convertible Debentures and other financial charges during the year.

- (d) As per letter dated 6th Feb, 2019 received from IFCI, they have appropriated the proceeds of alleged sale consideration of Rs. 515.44 Crores against Hotel Property, Park Hyatt Goa as under:

| Sr. No. | Item | Amount (Rs. in Lakh) |
|---------|--|-------------------------|
| 1 | IFCI - Term Loan Principal & Interest | 12321.70 |
| 2 | IFCI - Equity Investment in SRHIPL | 18850.15 |
| 3 | IFCI – Expenses | 251.25 |
| 4 | Paid to State Bank of Mysore | 852.07 |
| 5 | Paid to SEBI (NCD A/c) | 12678.38 |
| | Total | 44953.55 |
| 6 | FDR retained by IFCI for payment to SEBI (NCD A/c) | 8500.00 |

- (e) During the year the company has recorded a loss of Rs. 19378.51 lakh, on account of interest charge of Rs. 15370.46 lakh, loss on sale of investment in subsidiary of Rs. 37686.15 lakh and accumulated dividend on Preference Shares amounting to Rs. 6823.47 Lakhs have eroded the Net worth of the Company which has turned negative to Rs. (-)7003.20 lakhs.

27 PAYMENT TO STATUTORY AUDITORS

(Rs. in Lakh)

| Particulars | 31.03.2019 | 31.03.2018 |
|------------------|--------------|--------------|
| Audit Fee | 9.00 | 20.00 |
| Tax Audit Fee | 1.00 | 3.00 |
| Tax Matters | - | - |
| Certification | 1.24 | - |
| GST/ Service Tax | 2.02 | 4.14 |
| Total | 13.26 | 27.14 |

28 PRIOR PERIOD ITEMS

Expenses include Rs.19.30 Lakhs (Previous Year Rs. Nil) as expenses (net) relating to earlier years.

29 EMPLOYEE BENEFITS

Disclosures as per Accounting Standard, Ind AS-19 "Employee Benefits" is as under:-

(A) Disclosure for Defined Contribution Plans :-

(Rs. in Lakh)

| Particulars | 31.03.2019 | 31.03.2018 |
|--|--------------|---------------|
| Employer's contribution to Provident Fund | 47.61 | 101.80 |
| Employer's contribution to Employees State Insurance | 9.32 | 17.72 |
| Total | 56.92 | 119.52 |

(B) Disclosure for Defined Benefits Plans

(Rs. in Lakh)

| i. Particulars | Gratuity (Un-funded) | | Leave Encashment (Un-funded) | |
|---|----------------------|------------|------------------------------|------------|
| | 31.03.2019 | 31.03.2018 | 31.03.2019 | 31.03.2018 |
| Change in the present value of obligation : | | | | |
| Present Value of Obligation as at the beginning of the year | 118.65 | 106.03 | 71.71 | 65.28 |
| Add : Interest Cost | - | 7.95 | - | 4.90 |
| Add : Current Service Cost | - | 27.60 | - | 35.31 |
| Less : Benefit paid | (118.65) | (9.91) | (71.71) | (22.41) |
| Add : Actuarial gain/ (loss) on obligations | - | (13.03) | - | (11.37) |
| Present Value of Obligation as at the close of the year | - | 118.65 | - | 71.71 |

(Rs. in Lakh)

| ii. Particulars | Gratuity (funded) | | Leave Encashment (funded) | |
|--|-------------------|------------|---------------------------|------------|
| | 31.03.2019 | 31.03.2018 | 31.03.2019 | 31.03.2018 |
| Change in the fair value of Plan Assets : | | | | |
| Fair Value of Plan Assets at the beginning of the year | - | - | - | - |
| Add : Expected Return on Plan Assets | - | - | - | - |
| Add : Contributions | - | - | - | - |
| Less : Benefit paid | - | - | - | - |
| Fair Value of Plan Assets as at the close of the year | - | - | - | - |

(Rs. in Lakh)

| iii. Particulars | Gratuity (Un-funded) | | Leave Encashment (Un-funded) | |
|---|-------------------------|------------|---------------------------------|------------|
| | 31.03.2019 | 31.03.2018 | 31.03.2019 | 31.03.2018 |
| Expense recognized in the Statement of Profit and Loss | | | | |
| Current Service Cost | 90.83 | 27.60 | 31.51 | 35.31 |
| Add: Interest Cost | - | 7.95 | - | 4.90 |
| Less: Expected Return On Plan Assets | - | - | - | - |
| Less: Settlement Credit | - | - | - | - |
| Add: Net actuarial (gain)/ loss recognized | - | (13.03) | - | (11.37) |
| Total expenses recognized in Statement of Profit & Loss | 90.83 | 22.53 | 31.51 | 28.83 |

iv The following table sets out the assumptions used in actuarial valuation of gratuity and leave encashment-

| Particulars | Gratuity (Un-funded) | | Leave Encashment (Un-funded) | |
|---------------------------|-------------------------|------------|---------------------------------|------------|
| | 31.03.2019 | 31.03.2018 | 31.03.2019 | 31.03.2018 |
| Discount Rate | - | 7.20% | - | 7.20% |
| Expected Return on Assets | - | 0.00% | - | 0.00% |
| Salary Escalation | - | 10.00% | - | 10.00% |
| Attrition Rate | - | 15.00% | - | 15.00% |

30 SEGMENT REPORTING

The Company's business activity falls within a single primary business segment i.e. hotel operations, hence the disclosure requirements of Accounting Standards (AS - 17) "Segment Reporting", issued by the Institute of Chartered Accountants of India are not applicable.

31 INCOME TAX

As required by Indian Accounting Standard "Income-taxes" i.e. (Ind-AS) issued by Institute of Chartered Accountants of India, deferred tax asset on accumulated losses, is not recognized as a matter of prudence.

32 EARNING PER SHARE :
(Rs. in Lakh)

| | 31.03.2019 | 31.03.2018 |
|--|-------------|------------|
| Profit/(Loss) available for equity share holders | (19,378.51) | (165.61) |
| Less: Dividend on cumulative preference shares (Convertible) | - | - |
| Adjusted Profit/(Loss) available for equity share holders | (19,378.51) | (165.61) |
| Weighted average number of equity shares outstanding for Basic earning per share | 12,748,457 | 12,748,457 |
| Effect of dilutive equity shares on account of conversion of preference shares | - | - |
| Weighted average number of equity shares outstanding for Diluted Earning per share | 12,748,457 | 12,748,457 |
| Basic earnings per share in rupees (face value - Rs.10 per share) | (152.01) | (1.31) |
| Diluted earnings per share in rupees (face value - Rs.10 per share) | (152.01) | (1.31) |

33 In the opinion of management, there is no impairment condition exists as on 31st March, 2018. Hence no provision is required in the accounts for the current period ending.

34 RELATED PARTY DISCLOSURES

Disclosure as required by the accounting standard "Related Party Disclosures" (AS-18) issued by the Institute of Chartered Accountants of India are given here under :

| a. Related Parties | Name |
|--|--|
| i. Subsidiary Companies | Blue Coast Hospitality Limited Golden Joy Hotel Private Limited |
| ii. Associate Company | Nil |
| iii. Key Management Personnel | Mr. Kushal Suri - Whole Time Director Mr. Dilip Bhagtani - Chief Financial Officer Mr. Amit Singhal - Chief Financial Officer Ms. Kapila Kandel - Company Secretery |
| iv. Entities over which key management personnel/ relatives of key management personnel are able to exercise significant influence with which the Company has transactions during the period | Joy Hotel & Resort Pvt. Ltd. |

| b. Transaction with Related parties | Nature of transaction | Amount (Rs in Lakh) |
|---|--|--------------------------------|
| i. Subsidiary Companies | Advances during the year | - |
| | Closing balance | - |
| | Maximum balance outstanding during the year | - |
| ii. Associate Company | Nil | |
| iii. Key Management Personnel | Remuneration / Perquisites | 89.63 |
| | Closing balance (Payable) / Recoverable | - |
| | Maximum balance outstanding during the year | - |
| iv. Entities over which key management personnel/ relatives of key management personnel are able to exercise significant influence with which the Company has transactions during the period. | Capital commitments | - |
| | Closing Balance as on 31.03.2018 (Payable / Recoverable) | - |
| | Maximum balance outstanding during the year - Receivable | - |

35 Foreign Exchange Earnings **(Rs. in Lakh)**

| Particulars | 31.03.2019 | 31.03.2018 |
|--------------------------|-------------------|-------------------|
| Receipts from operations | - | 4,264.28 |

36. Expenditure in Foreign Currency **(Rs. in Lakh)**

| Particulars | 31.03.2019 | 31.03.2018 |
|--------------------|-------------------|-------------------|
| Capital Goods | - | - |
| Others | - | 773.17 |

37 OTHERS SIGNIFICANT DISCLOSURES

- a) In the opinion of directors, all the assets, except stated otherwise, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the books of accounts and the provision for depreciation and for all known liabilities is adequate and considered reasonable.
- b) Balances of trade receivables, trade payables, current/ non-current advances given/ received, amount recoverable from parties are subject to reconciliation and confirmation from respective parties.
- c) Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout by making the suitable adjustment in the respective accounting heads
- d) The Company and its shareholders are contesting the ownership of Equity Shares held by Northern Projects Limited, Namedi Leasing & Finance Ltd, Morgan Ventures Ltd and Praveen Electronics Pvt. Ltd. The matter is pending for adjudications at different foras.
- e) The Board of Directors in their meeting dated 11.08.2017 had proposed modification in the terms of redemption of 41,50,000 Cumulative Redeemable Preference Shares and the same were approved by shareholders in their meeting held on 20.09.2017. However, the Hon'ble National Company Law Tribunal (NCLT) Delhi in a petition filed by one litigant, vide its order dated 24.11.2017 restrained these Preference Shareholder holders from exercising voting rights in respect these preference shares and directed the Company not to give effect to the resolution dated 11.08.2017 till further orders. The Company is contesting the matter before jurisdictional court.
- f) The Company is contesting the Hon'ble National Company Law Tribunal (NCLT) order dated 26.09.2018, staying the resolutions passed by the Company at its Annual General Meeting held on 09.08.2018 with regard to adoption of annual accounts for the financial year ending March 31, 2018 by the shareholders, reappointment of Mr. Sushil Suri as director, who retires by rotation and appointment of Mrs. Shalu Suri as a Non-Executive director of the Company. Mr. Sushil Suri and Mrs. Shalu Suri have tendered their resignation from the Board of Directors of the company.

Independent Auditor's Report To the Members of Blue Coast Hotels Limited Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Blue Coast Hotels Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date. List of subsidiaries of Blue Coast Hotels Limited as on March 31st, 2019 is given below:

| Sr. No. | Subsidiary of the company as on 31.03.2019 | Percentage of holding |
|---------|--|-----------------------|
| 1. | Golden Joy Hotel Private Limited | 100% |
| 2. | Blue Coast Hospitality Limited | 100% |

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response (Principal Audit Procedures) |
|---------|---|--|
| 1 | <p>On account of default in repayment of term loan IFCI initiated recovery proceeding under SARFAESI Act, 2002, against the company and allegedly sold the Hotel property Park Hyatt, Goa for an amount of Rs. 51544.01 Lakhs. On 19.03.2018 Hon'ble Supreme Court of India ordered the Company to handover the possession of the Hotel to the auction purchaser within a period of six months. In compliance of Hon'ble Supreme Court order, the company has handed over the possession of the property Park Hyatt Goa Resort & Spa to the auction purchaser on 19.09.2018.</p> <p>The handing over of only operational asset of the company to the auction purchaser pursuant to aforesaid order has impacted the company's ability to continue as a going concern.</p> <p>(Refer Note. No. 26(a) to the financial statements.)</p> | <p>We collected the following documents:-</p> <p>Copy of order of Hon'ble Supreme Court of India.</p> <p>We read and analyzed the various orders/judgments in respect of the matter.</p> |
| 2 | <p>The Company has availed of its Right to redeem the property u/s 60 of the Transfer of Property Act, 1882 by giving notice to IFCI before handing over the possession of property. The Writ Petition is pending adjudication at Hon'ble High Court of Bombay at Goa. The outcome of the writ petition may have the material impact on the company as a going concern and may also impact the alleged sale of Hotel property at Goa.</p> <p>(Refer Note. No. 26(a) to the financial statements.)</p> | <p>We collected the following documents:</p> <p>Copy of order of writ petition filed before Hon'ble High Court of Bombay at Goa and other papers related to the matter under reference.</p> <p>We read and analyzed the various orders/judgments in respect of the matter.</p> |

| | | |
|---|---|---|
| 3 | <p>The Company sold its entire holding in its subsidiary, Silver Resort Hotel India Private Limited comprising of 27,35,10,000 Equity Shares of Rs.10/- each to the highest buyer, Joy Hotel & Resort Private Limited, a related party, for a consideration of Rs. 15.00 Lakhs pursuant to approval received from equity shareholders.</p> <p>(Refer Note. No. 26 (b) to the financial statements.)</p> | <p>We collected the following documents:-</p> <p>Copy of valuation report of SEBI Registered (Category-I) Merchant Banker, of Equity shares of Silver Resort Hotel India Private limited.</p> |
|---|---|---|

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of 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 consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder.

The respective board of directors of the entities included in the Group are 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, selection and application of appropriate accounting policies, making judgements 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 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 financial statements by the directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective board of directors of the entities included in the Group are responsible for assessing the ability of the Group to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease the operations, or has no realistic alternative but to do so.

The respective board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures

that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transaction and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such entities included in the consolidated financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statements that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Matter of Emphasis

We draw attention to Note 26 (a) in the financial statements regarding handing over of only operational asset of the company to the auction purchaser pursuant to Hon'ble Supreme Court order and 26 (e) regarding erosion of net worth, raising significant doubt on the company's ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, 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 accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of the Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the books of accounts.
- d) In our Opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issues thereunder.
- e) On the basis of the written representations received from the directors of the Holding company and its Indian subsidiaries as on 31st March 2019 taken on record by the Board of Directors of the respective companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March 2019 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 Group and the operating effectiveness of such controls is as per Annexure A.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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 disclose the impact of pending litigations on the consolidated financial position of the Group; (Also refer Note No. 26(a) of the Financial Statement)
 - (ii) The Group has made provision in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivate contracts;
 - (iii) During the year, the Group was not liable to transfer any amount to the Investor Education and Protection Fund.

For DEWAN AND GULATI
Chartered Accountants
Firm's Regn. No: 03881N

Place: New Delhi
Date: 30th May 2019

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

ANNEXURE “A” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the consolidated financial statements of Morepen Laboratories for the year ended 31st March 2019)

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”)

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Blue Coast Hotels Limited (hereinafter referred to as “the Holding Company”) and its Indian subsidiaries, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of directors of the holding company and its subsidiaries which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, 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 (‘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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on internal financial controls over financial reporting of the Holding company and its subsidiaries incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act, 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 judgment, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting of the Holding company and its subsidiaries 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 explanation given to us, and based on the consideration of reports of other auditors, referred to in the Other Matters paragraph, the Holding company and its subsidiaries, have, 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, 2019, 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.

For DEWAN AND GULATI
Chartered Accountants
Firm's Regn. No: 03881N

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

Place : New Delhi
Date : 30th May 2019

Consolidated Balance Sheet

As at 31st March, 2019

(Rs. in lakh)

| | Notes | As at 31.03.2019 | As at 31.03.2018 |
|-------------------------------------|-------|------------------------|-------------------------|
| A. ASSETS | | | |
| 1. NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | 2 | 299.60 | 54,727.69 |
| Capital Work In Progress | 2 | 253.28 | 15,776.86 |
| Intangible Assets | 2 | 0.04 | 180.33 |
| Investments | 3 | 2,569.36 | 4,279.37 |
| Other Non-Current Assets | 4 | 40.47 | 303.18 |
| | | <u>3162.75</u> | <u>75267.43</u> |
| 2. CURRENT ASSETS | | | |
| Inventories | 5 | - | 198.01 |
| Financial Assets : | | | |
| Investments | 6 | 175.90 | 1.65 |
| Trade Receivables | 7 | 59.17 | 1,164.58 |
| Cash and Cash Equivalents | 8 | 69.37 | 941.12 |
| Other Current Assets | 9 | 1,250.28 | 1,481.07 |
| | | <u>1,554.72</u> | <u>3,786.43</u> |
| Total | | <u><u>4,717.47</u></u> | <u><u>79,053.86</u></u> |
| B EQUITY AND LIABILITIES | | | |
| 1. EQUITY | | | |
| Equity Share Capital | 10 | 1,274.85 | 1,274.85 |
| Other Equity | | (8,293.27) | 11,097.33 |
| | | <u>(7,018.42)</u> | <u>12,372.18</u> |
| 2. MINORITY INTEREST | 11 | - | 8,478.79 |
| 3. NON - CURRENT LIABILITIES | | | |
| Financial Liabilities : | | | |
| Borrowings | 12 | 4,150.00 | 4,220.80 |
| Other Financial Liabilities | 13 | - | 98.66 |
| Provisions | 14 | - | 132.61 |
| | | <u>4,150.00</u> | <u>4,452.07</u> |
| 4. CURRENT LIABILITIES | | | |
| Financial Liabilities : | | | |
| Trade Payables | 15 | 163.10 | 1,023.79 |
| Other Financial liabilities | 16 | 6,945.64 | 39,287.03 |
| Other Current Liabilities | 17 | 8.64 | 13,424.68 |
| Provisions | 18 | 468.51 | 15.33 |
| | | <u>7,585.89</u> | <u>53,750.83</u> |
| Total | | <u><u>4,717.47</u></u> | <u><u>79,053.86</u></u> |
| SIGNIFICANT ACCOUNTING POLICIES | 1 | | |
| NOTES ON FINANCIAL STATEMENTS | 2-37 | | |

As per our separate report of even date
For Dewan & Gulati

Chartered Accountants
(Firm Regn. No. 003881N)

CA (Dr.) Sunil Gulati
Partner
M No. 082929
Place : New Delhi
Date: 30.05.2019

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

(Anju Suri)
Director
DIN : 00042033

(Amit Kumar Singh)
Chief Financial Officer

(Vijay Mohan Kaul)
Director
DIN : 00472888

(Kapila Kandel)
Company Secretary

Consolidated Statement of Profit and Loss

For the Year Ended 31st March, 2019

(Rs. in lakh)

| | Notes | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|---|-------|--------------------------|--------------------------|
| REVENUE | | | |
| Revenue from operations | 20 | 5,274.47 | 13,489.24 |
| Other Income | 21 | 247.72 | 143.06 |
| Total Income (I) | | 5,522.19 | 13,632.30 |
| EXPENSES | | | |
| Cost of materials Consumed | 22 | 764.10 | 1,900.44 |
| Employee benefits expense | 23 | 1,481.20 | 2,529.71 |
| Finance Costs | 24 | 15,370.46 | 2,427.27 |
| Depreciation and Amortization Expense | 2 | 315.80 | 674.40 |
| Other expenses | 25 | 4,691.91 | 6,266.54 |
| Total expenses (II) | | 22,623.47 | 13,798.37 |
| Profit before Exceptional Items & Tax (I-II) | | (17,101.28) | (166.07) |
| Exceptional Items | | (2,278.41) | |
| Profit before tax | | (19,379.69) | (166.07) |
| Tax Expenses | | - | - |
| Profit for the Year (III) | | (19,379.69) | (166.07) |
| Other Comprehensive Income | | - | - |
| Items that will not be reclassified to Profit & Loss : | | - | - |
| Actuarial Gain/(Loss) on Employee Benefits | | - | 34.98 |
| Other Comprehensive Income for the Year (IV) | | - | - |
| Total Comprehensive Income for the Year (III+IV) | | (19,379.69) | (131.09) |
| Earning per equity share (Face Value of Rs.10/- each) | 30 | | |
| (1) Basic | | (152.02) | (1.31) |
| (2) Diluted | | (152.02) | (1.31) |

SIGNIFICANT ACCOUNTING POLICIES

1

NOTES ON FINANCIAL STATEMENTS

2-37

As per our separate report of even date
For Dewan & Gulati

Chartered Accountants
(Firm Regn. No. 003881N)

CA (Dr.) Sunil Gulati
Partner
M No. 082929
Place : New Delhi
Date: 30.05.2019

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

(Anju Suri)
Director
DIN : 00042033
(Amit Kumar Singh)
Chief Financial Officer

(Vijay Mohan Kaul)
Director
DIN : 00472888
(Kapila Kandel)
Company Secretary

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st March, 2019

A. EQUITY SHARE CAPITAL

| Balance as at 1 st April, 2018 | Change in equity share capital during the year | Balance as at 31 st March, 2019 |
|---|--|--|
| 1,27,48,457.00 | - | 1,27,48,457.00 |

B. OTHER EQUITY

(Rs. in lakh)

| Particulars | RESERVES & SURPLUS | | | Other items of other comprehensive income | Total Other Equity |
|---|--------------------|--------------------|--------------------|---|--------------------|
| | General Reserve | Securities Premium | Retained Earnings | | |
| Balance as at 1st April 2018 | 1,552.05 | 8,279.80 | 1265.48 | - | 11,097.33 |
| Adjustment for Silver Resort Hotel India Pvt Ltd. | - | - | 46.97 | - | 46.97 |
| Prior Period Adjustments | - | - | (57.88) | - | (57.88) |
| Profit for the year | - | - | (19,379.69) | - | (19,379.69) |
| "Other comprehensive income for the year" | - | - | - | - | - |
| "Total Comprehensive income for the year" | - | - | (19,390.60) | - | (19,390.60) |
| Balance as at March 31, 2019 | 1,552.05 | 8,279.80 | (18,125.12) | - | (8,293.27) |

SIGNIFICANT ACCOUNTING POLICIES

1

NOTES ON FINANCIAL STATEMENTS

2-37

As per our separate report of even date

For Dewan & Gulati

Chartered Accountants
(Firm Regn. No. 003881N)

CA (Dr.) Sunil Gulati

Partner

M No. 082929

Place : New Delhi

Date: 30.05.2019

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

(Anju Suri)

Director

DIN : 00042033

(Amit Kumar Singhl)

Chief Financial Officer

(Vijay Mohan Kaul)

Director

DIN : 00472888

(Kapila Kandel)

Company Secretary

Consolidated Cash Flow Statement

For the year ended 31st March, 2019

| | Notes | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
|---|-------|---------------------------|--------------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES : | | | |
| Net Profit/(Loss) before Tax and extraordinary items | | (19,379.69) | (166.07) |
| Adjustments for : | | | |
| Adjustment in reserves SRHIPL | | 46.97 | |
| Depreciation for the year | | 315.80 | 674.40 |
| Tax Expense Prior period | | (57.88) | (109.57) |
| Finance cost | | 15,370.46 | 2,427.27 |
| Investment incorporated in books | | - | 2.34 |
| OCI Gratuity | | - | 34.98 |
| | | <u>15,675.36</u> | <u>3,029.43</u> |
| Operating profit before working capital changes | | (3,704.33) | 2,863.36 |
| Changes in current assets and current liabilities | | | |
| Trade Receivables | | 1,105.41 | (200.68) |
| Other Current Assets | | 230.79 | 3,352.70 |
| Investments | | (174.25) | 104.61 |
| Current liabilities | | <u>(46,164.94)</u> | <u>536.73</u> |
| Cash generated from operations | | (48,707.32) | 6,656.73 |
| Tax Expense Prior period | | - | - |
| NET CASH GENERATED FROM OPERATING ACTIVITIES | | <u>(48,707.32)</u> | <u>6,656.73</u> |
| B. CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchase of Property, Plant & Equipment's (Net) | | 70,014.17 | 252.02 |
| Minority Interest | | (8,478.79) | - |
| Long Term Loans & Advances | | (302.07) | (16.76) |
| Purchase of Investments | | 1,710.01 | 254.37 |
| Investment in Other Non-Current Assets | | 262.71 | (186.25) |
| NET CASH USED IN INVESTING ACTIVITIES | | <u>63,206.03</u> | <u>303.39</u> |
| C. CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Finance cost (net) | | (15,370.46) | (2,427.27) |
| Other Non Current Liabilities | | - | (32.48) |
| Change in Other Long Term Liabilities& Provisions (Net) | | - | <u>(4,582.23)</u> |
| NET CASH USED IN FINANCING ACTIVITIES | | <u>(15,370.46)</u> | <u>(7,041.98)</u> |
| Net Increase/(Decrease) in Cash and Cash equivalents(A+B+C) | | <u>(871.75)</u> | <u>(81.86)</u> |
| Cash and Cash equivalents as at beginning of the year | | 941.12 | 1,022.98 |
| Cash and Cash equivalents as at end of the year | | 69.37 | 941.12 |
| Bank Balances other than Cash and Cash Equivalents | | | |
| SIGNIFICANT ACCOUNTING POLICIES | 1 | | |
| NOTES ON FINANCIAL STATEMENTS | 2-37 | | |

As per our separate report of even date
For Dewan & Gulati

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CA (Dr.) Sunil Gulati
Partner
M No. 082929
Place : New Delhi
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For & on behalf of the Board of Directors of Blue Coast Hotels Limited

(Anju Suri)
Director
DIN : 00042033

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Chief Financial Officer

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Director
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(Kapila Kandel)
Company Secretary

I. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

Company Overview

Blue Coast Hotels Limited (“the Company”) is a Public limited Company incorporated and domiciled in India and has its listing on the BSE Limited and National Stock Exchange of India Limited. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The Company is in the business of Hospitality.

1.1 Basis for preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 (“the Act”) and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on May 30, 2019.

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

Operating Cycle

Based on the nature of products/activities of the company and normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.2 Use of Estimates and Judgements

The presentation of financial statements in conformity with Ind AS requires the management of the company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported balances of assets and liabilities, disclosures of contingent assets and liabilities as at the date of financial statements and the reported amount of revenues and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provisions for income taxes, useful life of depreciable assets and provisions for impairments & others.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

1.3. Property, Plant and Equipment (PPE)

The Company has elected to continue with the carrying value of all its property, plant and equipment as

recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

- a) Free hold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected significant costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.
- b) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.
- c) Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- d) The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.4 Intangible Assets and Amortisation

Internally generated Intangible Assets - Research and Development expenditure

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset and/or benefits are expected over more than one period, otherwise such expenditure is charged to the Statement of Profit and Loss.

Expenditure providing benefits for more than one period is amortised proportionately over the periods during which benefits are expected to occur.

Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

1.5 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

- a) Depreciation on fixed assets is provided on straight-line method at the rates prescribed by the schedule II of the Companies Act, 2013 and in the manner as prescribed by it except assets costing less than Rs. 5000/- on which depreciation is charged in full during the year.
- b) Intangible assets are amortized over their respective individual estimated useful life on straight line basis, commencing from the date the asset is available to the company for its use. The estimated useful life of an

identifiable intangible asset is based on a number of factors including the effects of obsolescence, etc. The amortization method and useful lives are reviewed periodically at end of each financial year.

1.6. Valuation of inventories

Stocks of raw materials and other ingredients have been valued on First in First Out (FIFO) basis, at cost or net realizable value whichever is less, finished goods and stock-in-trade have been valued at lower of cost and net realizable value, work-in-progress is valued at raw material cost up to the stage of completion, as certified by the management on technical basis. Goods in transit are carried at cost.

1.7. Foreign Currency Transactions / Translations

- i) Transactions denominated in foreign currency are recorded at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.
- ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
- iii) Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- iv) Foreign exchange differences recorded as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.
- v) In case of long term monetary items outstanding as at the end of year, exchange differences arising on settlement / restatement thereof are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / up to the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.

1.8 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

The dividend on the Cumulative Redeemable Preference shares is provided on an annual basis as per the stipulation of Ind AS.

1.9 Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of minimum lease payments at the inception of lease, whichever is lower. Lease under which the risks and rewards incidental to ownership are not transferred to lessee, is classified as operating lease. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term.

2.0 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

i) Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

ii) Subsequent measurement

a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

d) Investments in subsidiaries, joint ventures and associates

The Company has adopted to measure investments in subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

e) Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

iii) Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

iv) Fair value measurement of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

2.1 Impairment of Assets

i) Financial Assets

In accordance with Ind AS 109, the company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

ii) Non-Financial Assets

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in

earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

2.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- a) Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is exclusive of taxes and duties and net of returns, trade discounts and rebates.
- b) Dividend income is accounted for when the right to receive the income is established.

2.3 Interest

Interest income from a financial asset is recognized when it is probable that the economic benefits will be flow to the company and the amount of income can be measured reliably.

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2.4 Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.5 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.6 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

2.7 Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as at beginning of the period, unless they have been issued at a later date.

2.8 Employee Retirement benefits

i) Short term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

ii) Post – employment benefits

Defined contribution plans –

Retirement benefits in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans –

Gratuity

The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity payment plan provides for a lump sum payment to the vested employees at retirement, death, incapacitation while in employment or on termination of employment of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of service.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected cost method. Re-measurements comprising of actuarial gains and losses, are recognised in other comprehensive income which are not reclassified to profit or loss in the subsequent periods.

iii) Long – term employee benefits

Leave Encashment

The liability of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

2.9 Segment Reporting

The company operates in one reportable business segment i.e. "Hospitality".

3.0 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

2 I) PROPERTY, PLANT AND EQUIPMENTS
TANGIBLE ASSETS

(Rs in Lakhs)

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | | CARRYING VALUE | | |
|---|-------------------|-----------|-------------------------------|-------------------|-------------------|--|---|-------------------------------|-------------------|-------------------|
| | As at 01.04.18 | Additions | Dedu- ctions Adjustment | As at 31.03.19 | As at 01.04.18 | Adjust- ment in opening Balance | For the Capitalized to CWIP year | Dedu- ctions Adjustment | As at 31.03.19 | As at 31.03.18 |
| Land and Site development - Refer (i) | | | | | | | | | | |
| - Land | 39,954.15 | - | 39,738.58 | 215.57 | - | - | - | - | 215.57 | 39,954.15 |
| - Site Development Buildings - Refer (ii) | 326.83 | - | 326.83 | - | - | - | - | - | - | 326.83 |
| - Hotel | 15,835.02 | - | 15,835.02 | - | 3,652.69 | - | 117.21 | 3,769.90 | - | 12,182.33 |
| - Others | 20.42 | - | - | 20.42 | 7.44 | - | 0.32 | - | 7.76 | 12.98 |
| Plant and Equipment | 4,907.16 | 41.57 | 4,948.73 | 3,293.21 | 3,293.21 | - | 121.13 | 3,414.34 | - | 1,613.94 |
| Electrical Installations | 815.76 | - | 800.25 | 15.51 | 719.48 | - | 11.17 | 721.37 | 6.23 | 96.28 |
| Furniture's & Fixtures - Hotel | 1,630.44 | 1.02 | 1,631.46 | 108.32 | 1,529.35 | (1.72) | 1.74 | 1,529.37 | - | 101.10 |
| Furniture's & Fixtures-Others | 108.33 | - | 0.01 | 108.32 | 100.94 | 1.72 | 0.03 | - | 102.69 | 7.40 |
| Vehicles | 441.36 | - | 276.59 | 164.77 | 320.66 | - | 23.82 | 233.49 | 53.77 | 120.68 |
| Office Equipment's | 60.70 | - | 60.70 | - | 54.75 | - | 0.49 | 55.24 | - | 5.95 |
| Operating Equipment | 574.80 | - | 574.80 | - | 330.56 | - | 20.11 | 350.67 | - | 244.24 |
| Computers | 187.97 | 1.53 | 172.15 | 17.35 | 126.14 | - | 9.14 | 123.67 | 5.74 | 61.82 |
| Total | 64,862.93 | 44.12 | 64,365.12 | 541.94 | 10,135.22 | - | 305.16 | 10,198.05 | 299.60 | 54,727.69 |
| Previous Year | | | | | | | | | | |
| II) CAPITAL WORK-IN-PROGRESS (Refer (iii)) | | | | | | | | | | |
| CWIP | 15,776.86 | 1,516.68 | 17,040.26 | 253.28 | - | - | - | - | 253.28 | 15,776.86 |
| Previous Year | | | | | | | | | | |
| III) INTANGIBLE ASSETS | | | | | | | | | | |
| Preliminary Expenses | 127.60 | - | 127.60 | - | - | - | - | - | - | 127.60 |
| Computer Software | 160.62 | - | 159.72 | 0.90 | 107.89 | - | 10.63 | 117.66 | 0.86 | 52.73 |
| Total | 288.23 | - | 287.32 | 0.90 | 107.89 | - | 10.63 | 117.66 | 0.86 | 180.33 |
| Previous Year | | | | | | | | | | |
| GRAND TOTAL | | | | | | | | | | |
| Current Year | 80,928.04 | 1,560.80 | 81,692.70 | 796.13 | 10,243.11 | - | 315.79 | 10,315.71 | 243.19 | 552.92 |
| Previous Year | | | | | | | | | | 70,684.88 |

Notes on Consolidated Financial Statements

Ended 31st March 2019

(Rs in Lakh)

| | As at 31.03.2019 | As at 31.03.2018 |
|--|---------------------|---------------------|
| 3 INVESTMENTS (NON-CURRENT) | | |
| Investments (At Cost Unless Stated Otherwise) - | | |
| Unquoted | | |
| 15,600 (P.Y.15,600) Equity Shares of Rs.10/- each fully paid up of Joy Hotel & Resorts Pvt. Ltd - Refer (a) | 4,275.02 | 4,275.02 |
| Less : Provision for diminution on value of investment | <u>1,710.01</u> | <u>-</u> |
| | 2,565.01 | 4,275.02 |
| 4,020 (P.Y. 4,020) Equity Shares of Rs.50/- each fully paid up of Dombvli Nagari Sehkari Bank Limited | 2.01 | 2.01 |
| 46,800 (P.Y. 4,020) Equity Shares of Rs.5/- each fully paid up of VMF Softtech Limited | 2.34 | 2.34 |
| Total | <u>2,569.36</u> | <u>4,279.37</u> |
| Aggregate amount of unquoted investment | 2,569.36 | 4,279.37 |
| (a) All 15,600 equity share of Rs. 10/- each fully paid up of Joy Hotel & Resorts (P) Limited are pledged with term lenders for securing the term loans, interest & other charges payable thereon as availed by the Joy Hotel & Resorts Pvt. Ltd for its upcoming five star hotel project at Chandigarh. | | |
| 4 OTHER NON CURRENT ASSETS | | |
| Unsecured | | |
| (Considered good) | | |
| Security Deposits | 33.13 | 295.84 |
| Capital Advances | 7.34 | 7.34 |
| | <u>40.47</u> | <u>303.18</u> |

| (Rs in Lakh) | | |
|--|---------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| 5 <u>INVENTORIES</u> | | |
| (At cost or Net Realizable Value whichever is lower) | | |
| Operating Inventories | - | 198.01 |
| | <u>-</u> | <u>198.01</u> |
| The inventory has been taken, valued and certified by the management. | | |
| 6 <u>INVESTMENTS</u> | | |
| Non Trade Investments | | |
| Investments in Mutual Funds | | |
| <u>Quoted</u> | | |
| NIL Units (PY - 43.007 Units) of Birla Sun Life Cash Plus [Market value Rs. NIL (PY Rs. 260.51) per unit] | - | 0.10 |
| NIL Units (PY - 4.828 Units) of DSP Black Rock Mutual Fund Collection Account [Market value NIL (PY Rs. 2318.11) per unit] | - | 0.10 |
| NIL Units (PY - 4.623 Units) of Franklin Templeton MF High Value Collection Account [Market value NIL (PY Rs. 2426.05) per unit] | - | 0.10 |
| NIL Units (PY - 3.306 Units) of HDFC Cash Management Fund-Savings Plan-Growth [Market value Rs NIL (PY Rs. 3379.23) per unit] | - | 0.10 |
| NIL Units (PY - 46.640 Units) of ICICI Prudential Liquid - Regular Plan - Growth [Market value NIL (PY Rs. 223.85) per unit] | - | 0.10 |
| NIL Units (PY - 3.4019 Units) of Kotak Liquid Scheme Plan A - Growth [Market value NIL (PY Rs. 3106.36) per unit] | - | 0.10 |

| | (Rs in Lakh) | |
|--|---------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| NIL Units (PY - 2.833 Units) of Reliance Liquid Fund - Treasury Plan - Growth [Market value NIL (PY Rs. 3953.98) per unit] | - | 0.10 |
| NIL Units (PY - 21.959 Units) of SBI Premier Liquid Fund - Regular Plan - Growth [Market value NIL (PY Rs. 2545.69) per unit] | - | 0.50 |
| NIL Units (PY - 3.743 Units) of Tata Liquid Fund - Regular Plan - Growth [Market value NIL (PY Rs. 2989.89) per unit] | - | 0.10 |
| NIL Units (PY - 9,590.36 Units) of UTI Liquid - Cash Plan- Institutional - Growth [Market value NIL per unit] | - | 0.35 |
| 35.0550 Units (PY - NIL) of Aditya Birla Sun Life Liquid-Growth [Market value Rs 299.0054 per unit] | 0.10 | - |
| 5.0780 Units (PY - NIL) of Axis Liquid-Growth [Market value Rs. 2065.0995 per unit] | 0.10 | - |
| 3.9410 Units (PY - NIL) of DSPBR Liquidity Reg-Growth [Market value Rs 2658.5774 per unit] | 0.10 | - |
| 3.7650 Units (PY - NIL) of Franklin India Liquid Super Inst-Growth [Market value Rs 2788.1633 per unit] | 0.10 | - |
| 38.0470 Units (PY - NIL) of ICICI Prudential Liquid - Growth [Market value Rs 275.4187 per unit] | 0.10 | - |
| 4.6370 Units (PY - NIL) of IDFC Cash Regular-Growth [Market value Rs 2,257.4470 per unit] | 0.10 | - |
| 2.7770 Units (PY - NIL) of Kotak Liquid Reg - Growth [Market value Rs. 3,772.6954 per unit] | 0.10 | - |
| 2.3100 Units (PY - NIL) of Reliance Liquid - Growth [Market value Rs 2.3100 per unit] | 0.10 | - |
| 2,916.3058 Units (PY - NIL) of SBI Premier Liquid - Growth [Market value Rs. 3.5920 per unit] | 0.10 | - |

| | (Rs in Lakh) | |
|--|---------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| 5920.8440 Units (PY - NIL Units) of UTI Liquid Reg - Growth [Market value Rs 3,049.9273 per unit] | 175.00 | - |
| | <u>175.90</u> | <u>1.65</u> |
| Aggregate market value of quoted investment | 181.52 | 1.65 |
| Investments are stated at cost of acquisition. | | |
| 7 TRADE RECEIVABLES | | |
| Trade receivables outstanding for a period exceeding six months | | |
| Unsecured - | | |
| considered good | - | - |
| considered doubtful | - | - |
| Less : Allowance for doubtful debts | - | - |
| | <u>-</u> | <u>-</u> |
| Other Debts | | |
| Unsecured - | | |
| considered good | 59.17 | 1,164.58 |
| | <u>59.17</u> | <u>1,164.58</u> |
| 8 CASH AND CASH EQUIVALENTS | | |
| Balances with banks | | |
| i) Current Accounts | 68.63 | 928.82 |
| ii) Bank Balances held as - | | |
| - Fixed Deposit | - | 2.33 |
| Cash on hand | 0.74 | 9.97 |
| | <u>69.37</u> | <u>941.12</u> |
| 9 OTHER CURRENT ASSETS | | |
| (Unsecured considered good, unless otherwise stated) | | |
| Balance with Revenue Authorities | 891.19 | 952.88 |

(Rs in Lakh)

| | As at 31.03.2019 | As at 31.03.2018 |
|---|---------------------|---------------------|
| Loans & advances to employees | 14.06 | 26.17 |
| Interest on Fixed Deposit accrued but not due | - | 0.15 |
| Advances with Suppliers & Others | 345.03 | 501.88 |
| | <u>1,250.28</u> | <u>1,481.07</u> |

10 I. STATEMENT OF CHANGE IN EQUITY**A. Equity Share Capital**

| | As at March 31, 2019 | | As at March 31, 2018 | |
|--|----------------------|-----------------------|----------------------|-----------------------|
| | Nos. of Shares | Amount (Rs./Lakhs) | Nos. of Shares | Amount (Rs./Lakhs) |
| Authorised | | | | |
| Equity Shares of Rs. 10/- each | 26,500,000 | 2,650.00 | 26,500,000 | 2,650.00 |
| Issued , Subscribed & paid up | | | | |
| Equity Shares of Rs. 10/- each (33000 Shares not paid up) | 12,748,457 | 1,274.85 | 12,748,457 | 1,274.85 |

Reconciliation of the numbers and amount of Equity shares -

| For the year ended | As at March 31, 2019 | | As at March 31, 2018 | |
|---|----------------------|-----------------------|----------------------|-----------------------|
| | Nos. | Amount (Rs./Lakhs) | Nos. | Amount (Rs./Lakhs) |
| Outstanding at beginning of the year | 12,748,457 | 1,274.85 | 12,748,457 | 1,274.85 |
| Add : Shares issued during the year | - | - | - | - |
| Less : Shares bought back during the year | - | - | - | - |
| Outstanding at the end of year | 12,748,457 | 1,274.85 | 12,748,457 | 1,274.85 |

B. Shareholders holding more than 5% shares -

i) Equity Shares

| Name of Shareholder | As at 31.03.2019 | | As at 31.03.2018 | |
|--|------------------|--------------|------------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Ferry Holdings Limited | 1,162,162 | 9.12% | 1,162,162 | 9.12% |
| Jetty Capital Limited | 1,150,000 | 9.02% | 1,150,000 | 9.02% |
| Solace Investment & Financial Services Private Limited | 1,146,196 | 8.99% | 1,146,196 | 8.99% |
| Northern Projects Limited* | 970,000 | 7.61% | 970,000 | 7.61% |
| Seed Securities & services Private Limited | 645,311 | 5.06% | 645,311 | 5.06% |
| Solitary Investment & Financial Services Private Limited | 645,243 | 5.06% | 645,243 | 5.06% |

C. Rights, preferences and restrictions attached to each class of Shares and terms of redemption :

- i) The company has two classes of shares referred as equity shares and preference shares having a par value of Rs. 10/- each and par value of Rs. 100/- respectively. Each holder of equity shares is entitled to one vote per share, whereas in terms of Section 47(2) of the Companies Act, 2013, the Preference Shareholders are entitled to vote on every resolution placed before the company in the General Meeting as per applicable law from time to time. During the year, the tenure for redemption of cumulative redeemable preference shares of Rs 41,50,00,000/- (Rupees Forty One Crores 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 20.09.2017.
- ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of preferential amounts. The distribution will be in the proportion of the number of equity shares held by the shareholders.

D. There is no call unpaid as on 31.03.2019

E. No shares have been forfeited by the company during the year.

| | | (Rs in Lakh) | |
|-----------|--------------------------------------|---------------------|---------------------|
| | | As at 31.03.2019 | As at 31.03.2018 |
| 11 | <u>MINORITY INTEREST</u> | | |
| | Share Capital | - | 8,500.00 |
| | Share in Profit/(Loss) | - | (21.21) |
| | | <u>0.00</u> | <u>8478.79</u> |
| 12 | <u>BORROWINGS</u> | | |
| | Secured | | |
| | Term Loan for Hypothecation purchase | - | 70.80 |
| | Preference Shares | <u>4,150.00</u> | 4,150.00 |
| | | <u>4150.00</u> | <u>4220.80</u> |

Preference Share Capital

under the previous GAAP, preference shares were shown as part of equity and carried at cost. Redeemable preference shares contain a contractual obligation to deliver cash to the holders. Under Ind AS the same is classified as liability. Dividend on cumulative preference shares has accordingly been shown as part of finance cost.

| | As at March 31, 2019 | | As at March 31, 2018 | |
|--|----------------------|-----------------------|----------------------|-----------------------|
| | Nos. of Shares | Amount (Rs./Lakhs) | Nos. of Shares | Amount (Rs./Lakhs) |
| <u>Authorised</u> | | | | |
| Preference Shares of Rs. 100/- each | 8,150,000 | 8,150.00 | 8,150,000 | 8,150.00 |
| <u>Issued, Subscribed & paid up</u> | | | | |
| 41,50,000, 10% Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up | 4,150,000 | 4,150.00 | 4,150,000 | 4,150.00 |
| Reconciliation of the numbers and amount of Preference shares | | | | |

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|----------------------|----------|----------------------|----------|
| | Nos. | Amount | Nos. | Amount |
| Outstanding at beginning of the year | 4,150,000 | 4,150.00 | 4,150,000 | 4,150.00 |
| Add : Shares issued during the year | - | - | - | - |
| Less : Shares bought back during the year | - | - | - | - |
| Outstanding at the end of year | 4,150,000 | 4,150.00 | 4,150,000 | 4,150.00 |

C. Rights, preferences and restrictions attached to each class of Shares and terms of redemption :

- i) The company has two classes of shares referred as equity shares and preference shares having a par value of Rs. 10/- each and par value of Rs. 100/- respectively. Each holder of equity shares is entitled to one vote per share, whereas in terms of Section 47(2) of the Companies Act, 2013, the Preference Shareholders are entitled to vote on every resolution placed before the company in the General Meeting as per applicable law from time to time. During the year, the tenure for redemption of cumulative redeemable preference shares of Rs 41,50,00,000/- (Rupees Forty One Crores 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 20.09.2017.
- ii) 41,50,000 10% cumulative preference shares are redeemable at par. 10% of the cumulative redeemable preference shares shall be redeemed every year commencing from 21st year onwards i.e. w.e.f. 30.10.2023 to 30.10.2032
- iii) Capital Redemption Reserve for redemption of Preference Shares is not created during the year because of unavailability of surplus.

D. Shareholders holding more than 5% shares -

Preference Shares

| Name of Shareholder | As at 31.03.2019 | | As at 31.03.2018 | |
|---|------------------|------|------------------|------|
| Brook Investment & Financial Services Private Limited | 350,000 | 8.43 | 350,000 | 8.43 |
| Concept Credit & Consultants Private Limited | 350,000 | 8.43 | 350,000 | 8.43 |
| Epitome Holdings Private Limited | 400,000 | 9.64 | 400,000 | 9.64 |

(Rs in Lakh)

| | As at 31.03.2019 | | As at 31.03.2018 | |
|---|---------------------|------|----------------------|-----------------|
| Liquid Holdings Private Limited | 400,470 | 9.65 | 400,470 | 9.65 |
| Mid-Med Financial Services Private Limited | 399,600 | 9.63 | 399,600 | 9.63 |
| React Investment & Financial Services Private Limited | 400,000 | 9.64 | 400,000 | 9.64 |
| Scope Credit & Financial Services Private Limited | 400,000 | 9.64 | 400,000 | 9.64 |
| Solace Investment & Financial Services Private Limited | 350,000 | 8.43 | 350,000 | 8.43 |
| Solitary Investment & Financial Services Private Limited | 350,000 | 8.43 | 350,000 | 8.43 |
| Square Investment & Financial Services Private Limited | 400,000 | 9.64 | 400,000 | 9.64 |
| Seed Securities & Services Private Limited | 349,930 | 8.43 | 349,930 | 8.43 |
| 13 OTHER FINANCIAL LIABILITIES (NON-CURRENT) | | | | |
| Earnest Money Deposit from shops within hotel | | | - | 50.00 |
| Sundry Creditors for Capital Expenditures | | | - | 48.66 |
| | | | <u>-</u> | <u>98.66</u> |
| 14 PROVISIONS (NON-CURRENT) | | | | |
| Provision for employees' benefits:- | | | | |
| -Gratuity (unfunded) | | | - | 111.84 |
| -Leave Encashment (Unfunded) | | | - | 20.76 |
| | | | <u>-</u> | <u>132.61</u> |
| 15 TRADE PAYABLES | | | | |
| Total outstanding dues of micro enterprises and small enterprises | | | - | - |
| Total outstanding dues other than of micro enterprises and small enterprises* | | | 163.10 | 1,023.79 |
| | | | <u>163.10</u> | <u>1,023.79</u> |

| | (Rs in Lakh) | |
|--|---------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| <p>*The company has identified micro & small enterprises on the basis of information available with the company. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.</p> | | |
| 16 OTHER FINANCIAL LIABILITIES - CURRENT | | |
| i. Working capital loans from banks including interest thereon | - | 1,119.12 |
| ii Current maturities of Non Convertible Debentures - Disputed | - | 10,000.00 |
| iii Current maturities of term loans from financial institutions - Disputed | - | 11,368.91 |
| iv Payable to Delhi International Airport Pvt. Ltd. (DIAL) for hotel project land - Disputed | - | 10,052.02 |
| v Provision for Interest - Disputed | - | 110.90 |
| vi Current maturities of term loan for hypothecation purchase | 76.70 | 18.94 |
| vii dividend on preference shares | 6,823.48 | 6,408.46 |
| viii Employee benefits payable - | | |
| -Salaries & benefits | 45.45 | 122.25 |
| -Provident fund /ESI | - | 19.52 |
| -Bonus & incentives | - | 66.90 |
| | <u>6,945.64</u> | <u>39,287.03</u> |
| 17 OTHER CURRENT LIABILITIES | | |
| i. Advance received from customers | - | 534.24 |
| ii Direct Tax | 2.61 | 61.88 |
| iii Indirect Tax | 4.68 | 371.03 |
| iv Provisions For Expenses Payable | 1.35 | 529.26 |
| v Other Payables | - | 11,928.27 |
| | <u>8.64</u> | <u>13,424.68</u> |

| | (Rs in Lakh) | |
|---|---------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| 18 PROVISIONS (CURRENT) | | |
| Provision for doubtful Debt | 468.51 | - |
| Provision for Employees' benefits : | | |
| -Gratuity (unfunded) | - | 10.17 |
| -Leave Encashment (Unfunded) | - | 5.16 |
| | <u>468.51</u> | <u>15.33</u> |
| 19 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) | | |
| a) Contingent Liabilities | | |
| Guarantees | | |
| - - For securing loans of upcoming hotel project at Chandigarh related to associate company | 6,500.00 | 6,500.00 |
| - - For operation of the company | - | 17.12 |
| b) Commitments | | |
| - - Estimated amount of contracts remaining to be executed on capital account | - | - |
| c) Other money for which company is contingently liable | | |
| - - Disputed Claim for buy-back of equity share capital with return on investment in subsidiary company Silver Resort Hotel India Private Limited | - | 8,500.00 |
| | <u>6,500.00</u> | <u>15,017.12</u> |
| 20 REVENUE FROM OPERATIONS | | |
| Room Income | 3,247.51 | 8,876.11 |
| Food & Beverages | 1,273.47 | 2,839.35 |
| Alcoholic Beverages | 572.14 | 1,275.65 |
| Communications | 0.19 | 0.74 |
| Others | 181.16 | 497.40 |
| | <u>5,274.47</u> | <u>13,489.24</u> |

| | (Rs in Lakh) | |
|---|---------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| 21 OTHER INCOME | | |
| Interest Income | 20.36 | 14.79 |
| Dividend received on investments | 0.01 | 0.22 |
| Miscellaneous Income | 227.35 | 128.04 |
| | <u>247.72</u> | <u>143.06</u> |
| 22 COST OF MATERIALS, STORES & SUPPLIES CONSUMED | | |
| Stores & Spares | | |
| Opening Stock | - | 126.02 |
| Add : Purchases | <u>119.16</u> | <u>357.45</u> |
| | 119.16 | 483.47 |
| Less: Closing Stock | - | - |
| Total (a) | <u>119.16</u> | <u>483.47</u> |
| Operating Inventories | | |
| Opening Stock | 198.01 | 176.60 |
| Add : Purchases | <u>446.93</u> | <u>1,438.38</u> |
| | 644.94 | 1,614.98 |
| Less: Closing Stock | - | 198.01 |
| Total (b) | <u>644.94</u> | <u>1,416.97</u> |
| Total (a+b) | <u>764.10</u> | <u>1,900.44</u> |
| 23 EMPLOYEE BENEFITS EXPENSE | | |
| Salaries and Wages | 1,132.90 | 2,008.57 |
| Gratuity & Leave Encashment | 122.34 | (7.43) |
| Contribution to Provident Fund and ESI | 56.92 | 119.52 |
| Staff Welfare | 169.04 | 409.06 |
| | <u>1,481.20</u> | <u>2,529.71</u> |

| | (Rs in Lakh) | |
|---|---------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| 24 FINANCE COST | | |
| Interest | 15,357.90 | 2,424.42 |
| Bank charges | 12.56 | 2.84 |
| | <u>15,370.46</u> | <u>2,427.26</u> |
| <p>Finance cost amounting to Rs. 15370.46 Lakhs includes accumulated interest and finance charges of Rs. 10221.62 Lakhs appropriated by financial institution during the year out of proceeds of hotel property for the payment of interest on term loan and Non - Convertible Debentures .</p> | | |
| 25 OTHER EXPENSES | | |
| Telephone | 22.19 | 50.92 |
| Power & Fuel | 409.98 | 835.07 |
| Rent | 44.02 | 57.30 |
| Repair to buildings | 68.74 | 379.95 |
| Repairs to machinery | 180.94 | 1,114.26 |
| Insurance | 15.65 | 21.82 |
| Rates and Taxes | 0.64 | 5.41 |
| Auditors Remuneration | 11.24 | 23.42 |
| Legal and Professional Charges | 423.09 | 677.73 |
| Travelling Expenses | 122.67 | 334.73 |
| Selling and Advertisement Expenses | 321.44 | 1,050.20 |
| Stock Written Off | 142.13 | - |
| Management fees | 358.73 | 938.68 |
| Printing & Stationery | 15.48 | 35.77 |
| Exchange Fluctuation | 7.35 | - |
| Provision For Diminution on value of investment | 1,710.01 | - |
| Miscellaneous Expenses | 837.61 | 741.26 |
| | <u>4,691.91</u> | <u>6,266.54</u> |

| | (Rs in Lakh) | |
|---|--------------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| 26 EXCEPTIONAL ITEMS (Net) | | |
| A. Surplus from auction of hotel property at Goa (Refer Note (a)) | | |
| Proceeds from auction of the hotel property | 51,544.01 | - |
| Less : Carrying cost of assets of PHG | (16,136.27) | - |
| Surplus From Auction of Hotel Property at Goa (A.) | <u>35,407.74</u> | <u>-</u> |
| B. Loss on sale of investment in subsidiary (Refer Note (b)) | | |
| Cost of investment in Subsidiary | | |
| Sale proceeds from sale of 27,35,10,000 Equity Shares of Rs.10/- each fully paid up of Silver Resort Hotel India Pvt. Ltd | 15.00 | - |
| Less: Cost of 18,85,10,000 Equity Shares of Rs.10/- each fully paid up of Silver Resort Hotel India Pvt. Ltd | (18,851.00) | - |
| Less: Cost of 8,50,00,000 Equity Shares of Rs.10/- each fully paid up of Silver Resort Hotel India Pvt. Ltd | (18,850.15) | - |
| Loss on sale of investment in subsidiary (B.) | <u>(37,686.15)</u> | <u>-</u> |
| Total (A+B) | <u><u>(2,278.41)</u></u> | <u><u>-</u></u> |

- (a) Due to delay in execution of project by SRHIPL and consequent default by the Company in debt servicing, IFCI initiated recovery proceeding under SARFAESI Act, 2002, against the company and allegedly sold the Hotel Park Hyatt, Goa for an amount of Rs. 51544.01 Lakhs. On 19.03.2018 Hon'ble Supreme Court of India ordered the Company to handover the possession of the Hotel to the auction purchaser within a period of six months. In compliance of Hon'ble Supreme Court order, the company has handed over the possession of the property Park Hyatt Goa Resort & Spa to the auction purchaser on 19.09.2018. The handing over of only operational asset of the company to the auction purchaser pursuant to aforesaid order has impacted the company's ability to continue as a going concern. The Company availed its Right to Redeem the property u/s

60 of the Transfer of Property Act, 1882 by giving notice to IFCI on 07.09.2018, before handing over the possession of property. The Writ Petition for Redemption of the property is pending adjudication at the Hon'ble High Court of Bombay at Goa. The outcome of the writ petition may have the material impact on the company as a going concern and may also impact the alleged sale of Hotel property at Goa.

- (b) On February 26, 2010 a Development Agreement (DA) for the development of Hotel at Aerocity Delhi was signed between Delhi International Airport Private Ltd. (DIAL) and subsidiary company namely Silver Resorts Hotels (India) Private Limited (SRHIPL) for development of Five Star Luxury hotel at Asset Area no 3, Aerocity Delhi. The company also signed Infrastructure Development and Services Agreement (IDSA) on February 26, 2010 with DIAL for the development of common infrastructure facilities and infrastructure services at the hospitality district at Delhi Aerocity. SRHIPL paid a sum of Rs. 283.04 Crores towards Security Deposit, Advance Development Cost, License Fee and other charges to DIAL. However, there was delay and default in the payment of License Fees and some of the other dues to DIAL on time on account of various factors including non-receipt of security clearance, and delay in financial closure. Consequently, by exercising its rights under aforesaid agreements DIAL terminated the aforesaid Project Agreements (viz., DA and IDSA) and took over the possession of the land from SRHIPL. As the possession of plot at Asset Area 3 was taken back by DIAL, SRHIPL lost its entire investment including amount paid to DIAL and infrastructure developed on allotted land, finance and administrative costs incurred over last 8 years. In order to raise funding for investment in SRHIPL, the Company (Blue Coast Hotels Limited) had given collateral security of its Hotel Property Park Hyatt, Goa and had also pledged part of its equity holding comprising of 8.85 Crore Shares of Rs. 10/- each, in SRHIPL to the financial institution, IFCI, who was also a joint venture partner in SRHIPL holding 8.50 Crores Equity Shares of Rs. 10/- each. The total subscribed capital of Rs. 273.51 Crores of SRHIPL was held jointly by Blue Coast Hotel Limited (the company) and IFCI for Rs. 188.51 Crores and Rs. 85.00 Crores respectively. There had been complete erosion in the value of the investment done by the Company in the subsidiary (SRHIPL) since the allotment of the the plot has been cancelled and License agreements DA and IDSA signed in 26.02.2010 have been terminated. The Company appointed a SEBI Registered (Category-I) Merchant Banker for ascertaining the valuation of its investment in SRHIPL which had gone bad. The Merchant Banker valued the share at Rs. (-)1.77 per share. Since the SRHIPL continues to incur losses and its liabilities exceed the value of the assets, In view of the negative net worth & mounting liabilities the Company decided to hive off the investment in SRHIPL. Subsequently, the Company sold entire 27,35,10,000 Equity Shares of Rs.10/- each of SRHIPL to the highest buyer, Joy Hotel & Resort Private Limited, a related party, for a consideration of Rs. 15,00,000/- pursuant to approval received from equity shareholders.
- (c) No provision of Income tax (Normal Tax/MAT) under the Income tax Act, 1961 has been made on surplus after adjusting loss on sale of investment, payment of interest on term loan & Non - Convertible Debentures and other financial charges during the year.

- (d) As per letter dated 6th Feb, 2019 received from IFCI, they have appropriated the proceeds of alleged sale consideration of Rs. 515.44 Crores against Hotel Property, Park Hyatt Goa as under:

| Sr. No. | Item | Amount (Rs. in Lakh) |
|---------|--|----------------------|
| 1 | IFCI - Term Loan Principal & Interest | 12321.70 |
| 2 | IFCI - Equity Investment in SRHIPL | 18850.15 |
| 3 | IFCI – Expenses | 251.25 |
| 4 | Paid to State Bank of Mysore | 852.07 |
| 5 | Paid to SEBI (NCD A/c) | 12678.38 |
| | Total | 44953.55 |
| 6 | FDR retained by IFCI for payment to SEBI (NCD A/c) | 8500.00 |

- (e) During the year the company has recorded a loss of Rs. 19378.51 lakh, on account of interest charge of Rs. 15370.46 lakh, loss on sale of investment in subsidiary of Rs. 37686.15 lakh and accumulated dividend on Preference Shares amounting to Rs. 6823.47 Lakhs have eroded the Net worth of the Company which has turned negative to Rs. (-)7003.20 lakhs.

27 PAYMENT TO STATUTORY AUDITORS

(Rs in Lakh)

| Particulars | 31.03.2019 | 31.03.2018 |
|------------------|--------------|--------------|
| Audit Fee | 9.00 | 20.00 |
| Tax Audit Fee | 1.00 | 3.00 |
| Tax Matters | - | 2.50 |
| Certification | 1.24 | 1.24 |
| GST/ Service Tax | 2.02 | 4.01 |
| Total | 13.26 | 30.75 |

28 PRIOR PERIOD ITEMS

Expenses include Rs. 19.30 Lakhs (Previous Year Rs. Nil) as expenses (net) relating to earlier years.

29 SEGMENT REPORTING

The Company's business activity falls within a single primary business segment i.e. hotel operations, hence the disclosure requirements of Accounting Standards (AS - 17) "Segment Reporting", issued by the Institute of Chartered Accountants of India are not applicable.

30 INCOME TAX

As required by Indian Accounting Standard "Income-taxes" i.e. (Ind-AS) issued by Institute of Chartered Accountants of India, deferred tax asset on accumulated losses, is not recognized as a matter of prudence.

31 EARNING PER SHARE :**(Rs in Lakh)**

| | 31.03.2019 | 31.03.2018 |
|--|-------------|------------|
| Profit/(Loss) available for equity share holders | (19,379.69) | (166.07) |
| Add: Dividend on cumulative preference shares (Convertible) | - | - |
| Adjusted Profit/(Loss) available for equity share holders | (19,379.69) | (166.07) |
| Weighted average number of equity shares outstanding for Basic earning per share | 12,748,457 | 12,748,457 |
| Effect of dilutive equity shares on account of conversion of preference shares | - | - |
| Weighted average number of equity shares outstanding for Diluted Earning per share | 12,748,457 | 12,748,457 |
| Basic earnings per share in rupees (face value - Rs.10 per share) | (152.02) | (1.31) |
| Diluted earnings per share in rupees (face value - Rs.10 per share) | (152.02) | (1.31) |

32 In the opinion of management, there is no impairment condition exists as on 31st March, 2019. Hence no provision is required in the accounts for the current period ending.

33 RELATED PARTY DISCLOSURES

Disclosure as required by the accounting standard "Related Party Disclosures" (AS-18) issued by the Institute of Chartered Accountants of India are given here under :

| a. Related Parties | Name |
|-------------------------------|--|
| i. Subsidiary Companies | Blue Coast Hospitality Limited Golden Joy Hotel Private Limited |
| ii. Associate Company | Nil |
| iii. Key Management Personnel | Mr. Kushal Suri Mr. Dilip Bhagtani - Chief Financial Officer Mr. Amit - Chief Financial Officer Ms. Kapila Kandel - Company Secretary |

| | | |
|---|---|--------------------------------|
| iv. Entities over which key management personnel/ relatives of key management personnel are able to exercise significant influence with which the Company has transactions during the period | Joy Hotel & Resort Pvt. Ltd. | |
| b. Transaction with Related parties | Nature of transaction | Amount (Rs in Lakh) |
| i. Subsidiary Companies | Advances during the year Closing balance Maximum balance outstanding during the year | - - - |
| ii. Associate Company | Nil | |
| iii. Key Management Personnel | Remuneration / Perquisites Closing balance (Payable) / Recoverable Maximum balance outstanding during the year | 89.63 - - |
| iv. Entities over which key management personnel/ relatives of key management personnel are able to exercise significant influence with which the Company has transactions during the period. | Capital commitments Closing Balance as on 31.03.2018 (Payable / Recoverable) Maximum balance outstanding during the year - Receivable | - - - |

34 Foreign Exchange Earnings**(Rs in Lakh)**

| Particulars | 31.03.2019 | 31.03.2018 |
|--------------------------|------------|------------|
| Receipts from operations | - | 4,264.28 |

Expenditure in Foreign Currency**(Rs in Lakh)**

| Particulars | 31.03.2019 | 31.03.2018 |
|---------------|------------|------------|
| Capital Goods | - | - |
| Others | - | 773.17 |

35 OTHERS SIGNIFICANT DISCLOSURES

- a) In the opinion of directors, all the assets, except stated otherwise, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the books of accounts and the provision for depreciation and for all known liabilities is adequate and considered reasonable.
- b) Balances of trade receivables, trade payables, current/ non-current advances given/ received, amount recoverable from parties are subject to reconciliation and confirmation from respective parties.
- c) Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout by making the suitable adjustment in the respective accounting heads
- d) The Company and its shareholders are contesting the ownership of Equity Shares held by Northern Projects Limited, Namedi Leasing & Finance Ltd, Morgan Ventures Ltd and Praveen Electronics Pvt. Ltd. The matter is pending for adjudications at different foras.

- 36 The Board of Directors in their meeting dated 11.08.2017 had proposed modification in the terms of redemption of 41,50,000 Cumulative Redeemable Preference Shares and the same were approved by shareholders in their meeting held on 20.09.2017. However, the Hon'ble National Company Law Tribunal (NCLT) Delhi in a petition filed by one litigant, vide its order dated 24.11.2017 restrained these Preference Shareholder holders from exercising voting rights in respect these preference shares and directed the Company not to give effect to the resolution dated 11.08.2017 till further orders. The Company is contesting the matter before jurisdictional court.
- 37 The Company is contesting the Hon'ble National Company Law Tribunal (NCLT) order dated 26.09.2018, staying the resolutions passed by the Company at its Annual General Meeting held on 09.08.2018 with regard to adoption of annual accounts for the financial year ending March 31, 2018 by the shareholders, reappointment of Mr. Sushil Suri as director, who retires by rotation and appointment of Mrs. Shalu Suri as a Non-Executive director of the Company. Mr. Sushil Suri and Mrs. Shalu Suri have tendered their resignation from the Board of Directors of the company.

Blue Coast Hotels Ltd.

Regd. Office: Shop No. BG/1 Shanta Kunj, Cooperative Housing Society Ltd, Goa – 403601

CIN: L31200GA1992PLC003109;

Website: www.bluecoast.in; **E-mail Id:** - info@bluecoast.in;

Tel. No.: +91 11 23358774-75, 0832-2738300

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the Member (s):

Registered address:.....

E-mail Id: Folio No. /DP ID & Client ID:.....

I/We, being the Members(s) ofholding shares of Rs..... Each, of the above named company, hereby appoint

1) Name: E-mail Id:

Address:

.....

Signature: or failing him/her

2) Name: E-mail Id:

Address:

.....

Signature:

or failing him/her as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held Friday, September 27, 2019 at 10:00 A.M. at Bogmallo Beach Resort, Bogmallo, Goa – 403806 and at any adjournment thereof in respect of such resolutions as are indicated below:

| S. No. | Description | For* | Against* |
|--------|--|------|----------|
| 1. | a. consider and re-approve the audited financial statement, including consolidated financial statements of the company for the financial year ended march 31, 2018, along with the reports of the directors' and auditors' thereon | | |
| | b. To consider and adopt the Audited Financial Statement, including Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019, along with the Reports of the Directors' and Auditors' thereon. | | |
| 2. | To appoint a Director in place of Mr. Kushal Suri, Director, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment | | |
| 3. | To appointment of Mrs. Anju Suri as a Non-Executive Director of the Company | | |

| | | | |
|----|---|--|--|
| 4. | To Re-appointment of Mr. Praveen Kumar Dutt as an Independent Director of the Company. | | |
| 5. | To Re-appointment of Mr. Vijay Mohan Kaul as an Independent Director of the Company. | | |
| 6. | To approve the continuation of Mr. Madan Gopal Khanna as an Independent Director of the Company | | |

Signed this day of 2019.

Signature of Shareholder:

| |
|---------------------------|
| Affix Revenue Stamp |
|---------------------------|

NOTES:

- 1) Please put a 'X' in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 2) Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) Members and holding in the aggregate not more than ten percent (10%) of the total Share Capital of the Company carrying voting rights. A Member holding more than ten percent (10%) of the total paid-up Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other Members.
- 3) This form of Proxy in order to be effective should be duly completed, stamped, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

IMPORTANT NOTE: By virtue of Hon'ble NCLT order, Preference Shareholders are not allowed to vote in respect of any of the items of this Annual General Meeting including their proxies.

Regd. Office: Shop No. BG/1 Shanta Kunj, Cooperative Housing Society Ltd, Goa – 403601

CIN: L31200GA1992PLC003109;

Website: www.bluecoast.in; **E-mail Id:** - info@bluecoast.in;

Tel. No.: +91 11 23358774-75, 0832-2738300

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

| |
|--|
| Name and address of the registered member : |
| Folio No./DP ID No./Client ID No. : |
| No. of Shares : |

I hereby record my presence at the 26th Annual General Meeting of the Company to be held on Friday, September 27, 2019 at 10:00 A.M. at Bogmallo Beach Resort, Bogmallo, Goa - 403806.

Signature of the Members/Joint Members/Proxy attending the meeting

| Electronic Voting Event Number (EVEN) | User ID | Password |
|---------------------------------------|---------|----------|
| | | |

Note: Person attending the Meeting is requested to bring this Attendance Slip and Annual Report with him/her. Duplicate Attendance Slip and Annual Report will not be issued at the Annual General Meeting.

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E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

You are aware that majority of the provisions of Companies Act, 2013 have been made effective from 1st April 2014. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder, Companies can serve Annual Reports, Notices and other communications through electronic mode to those shareholders who have registered their e-mail address either with the Company / RTA or with the Depository.

It is a welcome move that would be benefit the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This provides a golden opportunity to every shareholder of Blue Coast Hotels Limited to contribute to the cause of 'Green Initiative' by giving their consent to receive various communications from the Company through electronic mode.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode. You can also download the appended registration form from the website of the Company www.bluecoast.in

[Please note that as a Member of the Company, you will be entitled to receive all such communication in physical form, upon request.]

Best Regards,

Kushal Suri
(Whole Time Director)
DIN: 02450138

E-COMMUNICATION REGISTRATION FORM

Folio No. / DP ID & Client ID:

Name of the 1st Registered Holder:

Name of the Joint Holder[s]: (1)..... (2).....

Registered Address:

.....

E-mail ID (to be registered): Mob./Tel. No.:

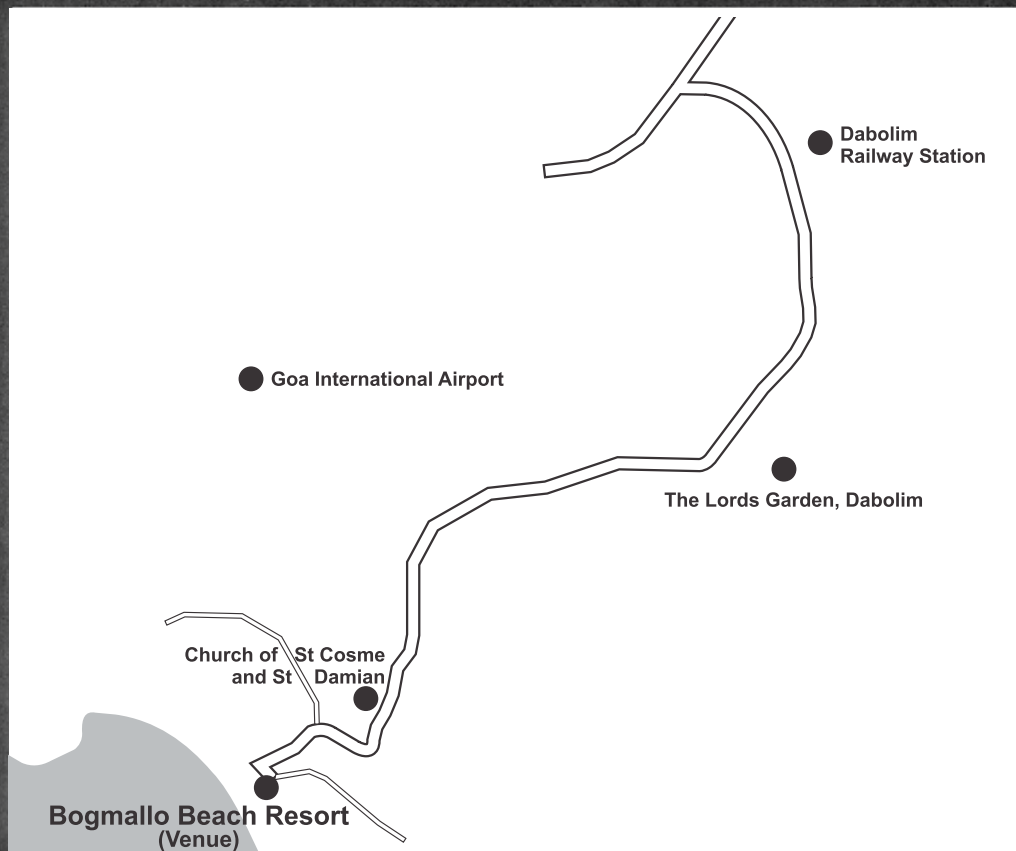
.....I/We shareholder(s) of Blue Coast Hotels Limited hereby agree to receive communications from the Company in electronic mode. Please register my above E-mail ID in your records for sending communications in electronic form.

Date:

Signature:

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

Route Map to the AGM Venue





Blue Coast



Hotels Ltd.

Corp. Office : 415 – 417, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi - 110 001

Tel.: +91- 23358774-775

Regd. Office: Shop No. BG/1, Shanta Kunj, Cooperative Housing Society Ltd., Margao, Goa-403601

Tel.: 0832-2738300