

A celebration of the senses





PARK HYATT GOA™

RESORT AND SPA

A celebration of the senses



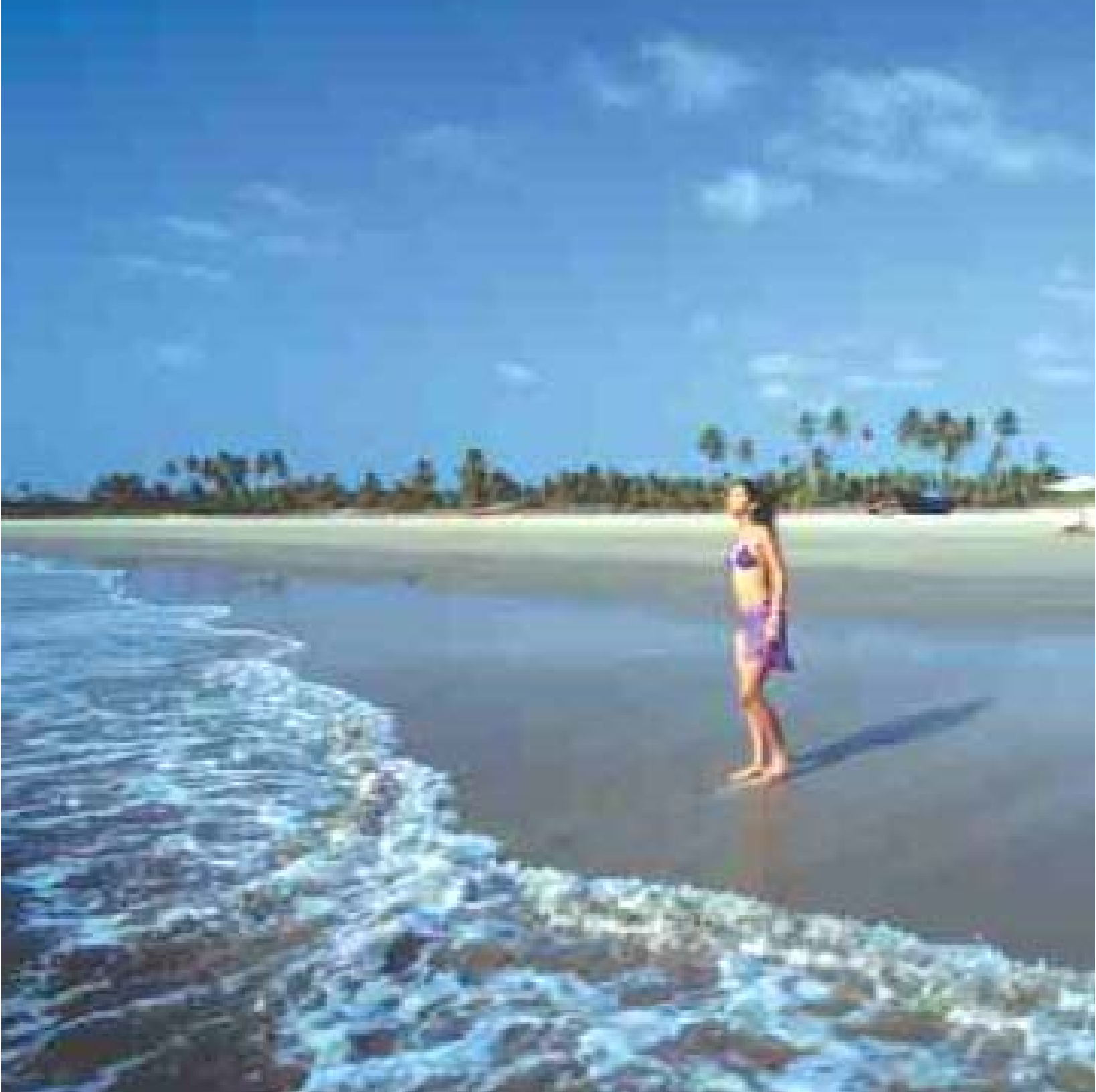
The spirit of India is the essence of hospitality. It is the charm that this country holds as it unfolds myriad experiences in the realms of world-class luxury. Blue Coast

Hotels Limited conjures up the spirit of India in an exclusive ambience.

Inspired by the success of our maiden project Park Hyatt Goa, Resort and Spa, we are giving shape to three more benchmark properties which will



redefine hospitality. Sometimes subtle and sophisticated. Sometimes boisterous and colorful. Sometimes divine and inspiring. The properties of Blue Coast Hotels are a tribute to all things beautiful... a celebration of the senses!





PARK HYATT GOA™

RESORT AND SPA

*Witness the magical medley
of blue and green*

Palm-fringed beach front. Clear blue skies reflected in crystal clear lagoons. The tinkle of silver and the fragrance of fresh roses. For the discerning guest, the 45-acre beach resort takes



luxury to a different plane. Designed as a Portugese village with its own water lagoons, Park Hyatt Goa has topped global charts for excellence ever since its inception.



Listen to the rhythm of swinging revelry

Strategic location and breathtaking façade. Luxuriously-appointed rooms and global leisuretainment. Music, dance and laughter. And what you have is MGM Grand – the property that will bring Las Vegas to the capital. Located in the Hospitality District near IGI Airport, MGM Grand New Delhi, will be the globe-trotter's dream come true.



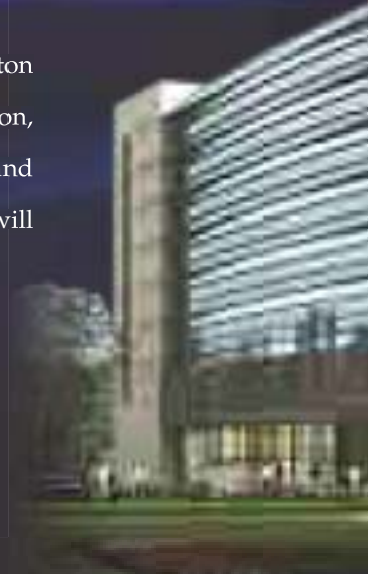




Sheraton[®] Chandigarh

Feel the romance of sunshine and stardust

Chandigarh's stylish cityscape is all set for a glamorous addition with the rise of Sheraton Chandigarh. This 5-star deluxe hotel will be distinct for its elegant accommodation, sparkling shopping arcades and enchanting leisure facilities. For business visitors and tourists travelling to the scenic locales around Chandigarh, this Destination Hotel will spell the final word in hospitality.







Sheraton® Amritsar

Take a sip of divinity in the lap of luxury

Overlooking the majestic Golden Temple, Hotel Sheraton in Amritsar will emerge as the Holy City's most coveted destination for connoisseurs of good living. The Heritage Tower, the tallest edifice in the city, will be part of the property's many attractions – the others being a roof top restaurant, water bodies, innovative services and a lavish shopping arcade.






Sheraton
Amritsar



Late Shri Arun Suri
(16.07.1960-12.11.2005)

To Shri Arun Suri, the guest was king. He always looked at hospitality as the rendering of an experience – an experience that could transfer the individual to a very special world, made up of very special moments. That became the 'mantra' behind Park Hyatt Goa, Resort and Spa as it emerged as a destination par excellence for connoisseurs of good life.

His penchant for perfection was contagious! It brought forth the best from his team – always raising the bar, always exceeding expectations. At Blue Coast, we remain inspired... and indebted!



Annual Report 2012 – 13

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Board of Directors

Mr. P.L. Suri, Chairman & Managing Director
Mrs. Sunita Suri, Executive Director
Mrs. Mamta Suri
Dr. V. M. Kaul
Mr. Ashoka Kini

Executives

Mr. Suresh Gupta
Asstt. Vice President (F&A) & CFO

Mr. Prakash Chandra Prusty
Company Secretary

Auditors

M/s. M Kamal Mahajan And Co.
Chartered Accountants
S.C.O. 61, Madhya Marg,
Sector 26, Chandigarh

Banks

State Bank of Mysore

Registered Office

263C, Arossim, Cansaulim,
Goa 403712
Tel. : 0832 - 2721234
Fax : 0832 - 2721235

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 106, Sector 2,
Noida 201301 (U.P.)
Tel. : 0120 - 4015880
Fax : 0120 - 2444346

Notice

NOTICE is hereby given that the 20th Annual General Meeting of the members of Blue Coast Hotels Limited will be held on Monday, 30th September, 2013 at 10.30 a.m. at 263C, Arossim, Cansaulim, Goa 403712 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss Account of the Company for the period ended on that date alongwith the report of Directors' and Auditor's thereon.
2. To appoint a Director in place of Mrs. Mamta Suri, who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Dr. V M Kaul who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint M/s. M Kamal Mahajan And Co. (Regn. No. 006855N), Chartered Accountants, Chandigarh, the retiring Auditors, as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

“**RESOLVED THAT** Mr. Praveen Kumar Dutt, in respect of whom the company has received a notice in writing from a member pursuant to section 257 of the Companies Act, 1956, proposing his candidature for the office of director, be and is hereby appointed as a director of the Company, liable to retire by rotation.”

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

Place: New Delhi
Date: 13.08.2013

(**Prakash Prusty**)
Company Secretary

Regd. Office:
263C, Arossim,
Cansaulim, Goa-403712.

Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM TO BE EFFECTIVE SHALL BE DULY STAMPED, SIGNED AND COMPLETED IN ALL RESPECT, MUST REACH THE COMPANY'S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE TIME OF THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain close from Monday, 23rd September 2013 to Monday, 30th September 2013 (both days inclusive).
3. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 and Clause 49 of the Listing Agreement in respect of appointment/re-appointment(s) of Directors and the Special Business is annexed.
4. Members/Proxies are requested to bring their copy of Annual Report to the Meeting. Members/Proxies should fill the attendance slip for attending the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those hold shares in Physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Corporate members intending to send their authorised representative are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
7. Members of the Company are requested to complete all the formalities for conversion of their shares from physical form into de-mat form as the equity shares of the Company are traded in de-mat form.
8. Members are requested not to bring any article, briefcase, hand bag, carry bag etc., as the same will not be allowed to be taken inside the auditorium/ hall for security reasons. Further, the Company or any of its officials shall not be responsible for their articles, bags etc., being misplaced, stolen or damaged at the Meeting place.
9. Members are requested to send their queries, if any, on the accounts and operations of the Company to the Compliance Officer (email address is prakash.prusty@bluecoast.in) at least 7 days before the Annual general Meeting.

10. Members holding shares in de-mat account are requested to register / refresh / update their email addresses with their Depository Participants (DP) with whom they are holding de-mat account. Shareholders holding shares in physical form are requested to register their email address by writing an email to us at infogreen@bluecoast.in providing their Name, Folio No., No. of Shares, Registered Address. The email addresses registered with the company and indicated in the respective DP accounts of the shareholders will be deemed to be the registered email address of the shareholders for serving notices / documents / correspondence including those covered under section 219 or any other relevant section as per Section 53 of the Companies Act, 1956.

We request you to cooperate with the Company in its endeavour to participate in “Green Initiative” taken by MCA and in protecting the environment.

Details of Directors seeking appointment & re-appointments:

Name of Director	Mrs. Mamta Suri	Dr. V M Kaul	Mr. Praveen Kumar Dutt
Date of Birth	14.12.1964	22.06.1956	01.08.1968
Date of Appointment in the Company	31.10.2000	28.03.2003	-
Date of last Re-appointment	29.09.2010	30.09.2011	-
Expertise in specific functional areas	Mrs. Mamta Suri has strong entrepreneurial expertise and is well versed with the operation of business enterprises.	Holds MBBS and Post Graduate Degree and is a Member of Indian Medical Association. He is a life member of HP Institute of Public Administration, Shimla.	A Fellow Member of The Institute of Chartered Accountants of India with post qualification experience of around 20 years in the fields of Direct Tax matters, FEMA, International Taxation etc.
No. of equity shares held in the Company	89000	Nil	Nil
Other Directorship	1. Liquid Holdings P. Ltd. 2. Concept Credit & Consultants P. Ltd. 3. Blue Heaven Marketing P. Ltd. 4. Golden Joy Hotel P. Ltd.	Sanjay Aluminium Pvt. Ltd.	Nil
Other Committee Membership	Nil	Nil	Nil

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956 and Clause 49 of the Listing Agreement)

Item No. 5:

The Company has received a notice from a member of the company under section 257 of the Companies Act, 1956 for appointment of Mr. Praveen Kumar Dutt as a director of the Company. The Board of Directors commends his appointment as a Director, liable to retire by rotation.

Except Mr. Praveen Kumar Dutt, no other Director is interested, whether directly or indirectly, in this resolution.

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

Place: New Delhi
Date: 13.08.2013

(Prakash Prusty)
Company Secretary

Regd. Office:
263C, Arossim,
Cansaulim, Goa-403712.

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 20th Annual Report of the Company for the period ended 31st March 2013.

FINANCIAL HIGHLIGHTS

The performance of the Company for the financial year ended 31st March 2013 is summarized below:

PARTICULARS	(Rs. in Lacs)	
	Financial Year 2012-13	Financial Year 2011-12
Income from Operations	9748.01	10,119.11
Depreciation	918.08	911.46
Profit from Operations before Finance Cost & Tax	2164.73	2292.54
Other Income	99.67	96.43
Profit before Interest & Tax	2264.40	2388.97
Interest / Finance Charges - Operation	1095.01	992.05
Operating Profit before Tax	1169.39	1400.98
Interest / Finance Charges - Investments	3626.60	3273.70
Profit(Loss) before Tax	(2457.21)	(1876.78)
Provision for Taxation (including deferred Tax)	(797.24)	(608.92)
Tax Adjustments for earlier years	120.73	(0.71)
Profit(Loss) after Tax	(747.60)	(1034.83)
Extraordinary Items	1033.10	232.32
Transfer to Reserves	--	--

OPERATIONS

The Company's operational income is at Rs.9748.01 Lacs in the F.Y. 2012-13 down by 3.8% compared to income of Rs.10119.10 Lacs in last year. Though the occupancy in the current year is down from last year due to overall stagnation in market, it has been partially compensated by increase in the Average Room Rates (ARR) compared to last year. With drop in operational income, the Rev PAR for the current financial year is 8% lower i.e. Rs.6975/- compared to Rs.7159/- last year. Your directors are pleased to inform you that Park Hyatt Goa Resort & Spa continues to be a market leader with highest market share amongst all the hotels in Goa.

The high finance cost on the credit facilities availed by the Company for its new projects have affected the profitability of the company. The economic turbulence in the World economy has impacted the growth of the company; however with the economic improvement in western countries specially USA, the tourists inflow into India will improve further and the hotel is expecting to attract more tourists this season.

There was delay in timely repayment of the interest and instalments of principal by the company to the Financial Institution. The Company had applied for the reschedulement of its debt. However the Financial Institution did not reschedule the debt on the merits of the case & decided to recall the entire debt. The Financial Institution has initiated

recovery action under the SARFAESI Act, 2002 against the company. The Company has again represented to financial institution to reschedule the debt and offered a settlement plan to liquidate the debt. The company has suo moto offered the surplus from the revenues of the hotel to the Financial Institution as an interim measure.

The SBICAP Trustee Company Ltd, the Trustee for the debenture holder has also called upon the company to repay the entire amount due to delay in paying debenture interest. The company had requested the debenture holder to extend the moratorium for its redemption by an additional one year and also defer the unpaid interest thereon by one year. However, the confirmation of acceptance of our reschedulement request is awaited from the Debentureholder/Trustee.

Mean while, the company is exercising its options to liquidate / dilute its investments in its subsidiary companies to repay the debt of the secured lenders.

DIVIDEND

In view of losses, the Board of Directors has not recommended any dividend for the financial year ended March 31, 2013.

EXPANSION /NEW PROJECTS

Your Company proposes to develop high end luxury villas and suites to expand the hotel inventory on the surplus lands adjoining the hotel. The company has applied for necessary pre construction approvals. The Company proposes to tie up with Hyatt for the operations and management of the villas and luxury suites.

The Company is developing three Five Star luxury hotel projects at New Delhi, Chandigarh and Amritsar through its subsidiary and associate companies.

The 'Sheraton Chandigarh' hotel to be managed by 'Starwood' will be comprising of approx. 178 rooms is being developed at Chandigarh. The estimated cost of the project is approx. Rs.216 Crores. The hotel is expected to be operational by June 2014.

The "MGM GRAND, New Delhi" hotel to be managed by 'MGM Hospitality Holdings LLC, Las Vegas, USA' will comprise of approx. 500 rooms is being developed at Delhi Aerocity, New Delhi. The estimated cost of the project is Rs.840 Crores. The hotel is expected to be operational by March 2016.

The "Sheraton Amritsar" hotel to be managed by 'Starwood' will comprise of approx. 180 rooms will be developed at Amritsar under Public Private Participation (PPP) scheme of the State Government of Punjab. The pre construction approvals for the project are in progress.

PUBLIC DEPOSITS

During the period under report, your Company has not accepted or renewed any public deposit and no amount of principal or interest was outstanding as per the Balance Sheet Date.

DIRECTORS

Mr. K S Mehta and Mr. B K Goswami, Independent directors resigned from the directorship of the company during the year under review and Mr. Rajinder Sharma, Independent director resigned from the directorship of the company with effect from 30.04.2013. The Financial Institution has withdrawn the nomination of Mr. P. V. Srinivas from the Board of the Company w.e.f. 10.07.2013. The Board placed on record its appreciation of the services rendered by them to the company.

Mrs. Mamta Suri and Dr. V M Kaul, Directors, are liable to retire by rotation at the ensuing Annual General Meeting and offer themselves for reappointment. The Board of Directors in its meeting dated 13.08.2013 commended the appointment of Mr. Praveen Kumar Dutt as a director of the company under the provisions of section 257 of the Companies Act, 1956.

The Board commends the appointment/ re-appointment by the members at the forthcoming Annual General Meeting of the Company.

AUDITORS

M/s. M. Kamal Mahajan And Co., Chartered Accountants, Chandigarh, the Auditors of the Company will retire at the ensuing 20th Annual General Meeting and being eligible, offer themselves for re-appointment.

VOTING RIGHTS

In terms of the provisions contained in Section 87(2)(b)(i) of the Companies Act, 1956, the Preference Shareholders of the Company with respect to the 81,50,000 Redeemable Cumulative Preference shares of Rs.100/- each are entitled to vote on every resolution placed before the Company at any General Meeting. As the said preference shares are held by the existing Promoters/Promoters Group, there is no change in the management / control of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors hereby confirm:

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2013 the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and of the profit or loss of the Company for that period;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) that they have prepared the annual accounts on a going concern basis.

EXPLANATION TO AUDITOR'S OBSERVATIONS

On Matter of Emphasis:

- i. The Company has represented to the financial institution to reschedule the debt and offered a settlement plan to liquidate the debt. The company has suo moto offered the surplus from the revenues of the hotel to the Financial Institution.
- ii. The company had requested the debenture holder to extend the moratorium for its redemption and also defer the unpaid interest thereon by an additional period of one year.
- iii. The company is exercising its options to liquidate/ dilute its investments in its subsidiary companies to pay off the debts of all the secured lenders.

On Disclosures in Annexure to the Auditor's Report

Para (ix) (a) of Annexure to the Auditor's Report: Auditor's observation on outstanding income tax as on 31.03.2013 is

noted and the company is arranging funds immediately for depositing the same.

Para (xi) of Annexure to the Auditor's Report: In respect of Auditor's observation on default in payment of interest to Debenture holders, the company is arranging funds to clear their outstandings.

Para (xix) of Annexure to the Auditor's Report: With respect to Auditor's observation on pledging of 26% equity shareholding to debenture trustees, we submit that in terms of Debenture Subscription Agreement, the Company has pledged its 10,00,00,000 equity shares in Silver Resort Hotel India Pvt Ltd as Interim Security with Debenture Trustee and will further take up the matter with IFCI Ltd to release 26% of shareholding of the Company to comply with the terms.

SEGMENT REPORTING

Your Company's operations comprise of only one segment Hotel Operations and accordingly, there are no separate reportable segments as envisaged by Accounting Standard 17.

In line with the requirements of Accounting Standards AS-21 issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the Company include the financial information of its Subsidiaries. As required under Section 212 of the Companies Act, 1956, the statement in respect of the Subsidiary companies is annexed herewith as Annexure A and forms an integral part of the Annual Report.

CORPORATE GOVERNANCE

Your Company has complied with the provisions of the Code on Corporate Governance as required under Clause 49 of the Listing Agreement. The report on Corporate Governance is attached as Annexure B and Report on Management Discussion and Analysis is attached as Annexure C forms part of the Report. The Certificate on compliance with the condition of Corporate Governance issued by the Auditors forms part of this report.

LISTING

The shares of your Company are listed at Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

AWARDS AND RECOGNITION

Park Hyatt Goa Resort and Spa received the following Awards & Accolades:

- ❖ Conde Nast Traveller India Readers' Travel Awards 2012 Favourite Leisure Hotel in India (#1)
- ❖ Conde Nast Traveller India Readers' Travel Awards 2012 Favourite Destination Spa (#2)
- ❖ World Travel Awards 2012 Asia's Leading Resort
- ❖ Times Food Awards Goa 2012 Casa Sarita awarded Best Goan Restaurant
- ❖ Times Food Awards Goa 2012 Da Luigi awarded Best Italian Restaurant
- ❖ AsiaSpa India Awards 2011 Sereno Spa awarded Best Resort Spa

PARTICULARS OF EMPLOYEES

Required particulars pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, are set out below:

Details of employees of Blue Coast Hotels Limited drawing remuneration of equal or more than Rs.5 lakh p.m. or Rs.60 lakhs p.a. during the financial year 2012-13:

Name of the Employee	Age (Yrs.)	Designation (Nature of Duty)	Remuneration (Rs.)	Qualification	Experience (in years)	Date of Employment	Previous Employment, Post held & Period	Nature of Duties
Mr. Saulo Bacchilega	45	Executive Chef (Administration & General)	82,33,788	Hotel Management Graduate	21	August 16, 2010	Executive Chef, Hyatt Regency Hua Hin (Jul 2007-Aug 2010)	Operational
Mr. Thomas Abraham	45	General Manager (Administration & General)	90,33,323	Hotel Management Graduate	21	February 13, 2012	Resident Manager, Grand Hyatt Mumbai (Nov 2009-Feb 2012)	Administration

Notes:

- i. Employments of aforesaid officials are on contractual basis. Other terms and conditions are as per Company's Rules.
- ii. None of the above mentioned employee hold the prescribed Percentage of equity shares in the company within the meaning of 217(2A)(a)(iii) of the Act.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 pertaining to the conservation of energy, technology absorption, foreign exchange earnings & outgo are set out as below:

A. CONSERVATION OF ENERGY:

a. Energy Conservation measures taken:

The company during this year has undertaken a major project of replacement of Chilled water, Hot water and Potable cold water pipe lines from plant room to individual courts, the header Line has been completed for the North Zone, pipe installation with Polybutylene Pipes imported from Holland i.e. Thermaflex, also installation of pipes in 1st court and 3rd court is completed, 2nd court is under progress. This will also result in reducing leakage losses as well as dirt/ rust entering the HVAC system clogging of guest room FCU, resulting into ineffective Air-conditioning.

Installation of solar system around perimeter wall phase wise.

b. Additional investment and proposals, if any, being implemented for reduction of Energy consumption:

Rs. 4.56 Crores (approx.) has been invested on the project of installation of Polybutylene Pipes and Rs. 4.94 Crores (approx.) are proposed to be invested.

Further, replacement of Cooling Towers and Fan Coil Unit (FCU) are also planned for gaining more energy efficiency.

c. **Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact of production of goods:**

Project is in progress and impact will be measured once the project of replacement of Polybutylene pipeline is completed.

d. Total Energy consumption and energy consumption per unit of production as per Form A of the Annexure.

B. TECHNOLOGY ABSORPTION :

e. **Efforts made in technology**

Research & Development (R & D)

1. **Specific areas in which R & D is carried out by the Company**

(i) Safety Standards were inspected by independent agency, viz; TUI & Argent U.K recommendation thereof have been completed.

(ii) Thermography survey carried out as predictive maintenance for electrical installation and necessary corrective measures undertaken.

(iii) ISO 22000:2005 Audit has been carried out for Preparation & Services of F&B.

2. **Benefit derived as a results of the above R & D**

Reduction in unplanned shut-downs, increase in MTBF (Mean Time Between Failures) & reduction in MTTR (Mean Time To repair)

3. **Future Plan of action**

(i) Company is planning to start project of replacement of Chilled water, Hot water and Potable cold water pipe lines from plant room to 5th court.

(ii) Construction of New Equalization tank for STP is under process.

(iii) Installation of new cold room under process.

4. **Expenditure on R & D**

(Rs. / Lacs)

	2012-13	2011-12
a) Capital	-	-
b) Recurring	-	-
c) <u>Total</u>	---	-

d) Total R & D expenditure as a percentage of total turnover is nil (previous year nil).

Technology Absorption, Adaptation and Innovation : Nil

C. Foreign Exchange Earnings and Outgo

(Rs. in Lacs)

- f. Activities relating to export; initiative taken to increase exports; development of new export markets; and export plans:

The Company is into Hotel Business. The Company did not carry on any export and related activities during the financial year 2012-13.

g. Total Foreign Exchange used and earned

(Rs. / Lacs)

	<u>2012-13</u>	<u>2011-12</u>
i. Foreign Exchange Earnings:	4073.92	4,224.52
Total	<u>4073.92</u>	<u>4,224.52</u>
ii. Foreign Exchange Outgo:		
Capital Goods	309.41	33.24
Other matters	921.27	1050.28
Total	<u>1230.68</u>	<u>1083.52</u>

FORM "A"

Form for Disclosure of Particulars with respect to Conservation of Energy

A. ELECTRICITY AND FUEL CONSUMPTION:

	Current Year	Previous Year
1. Electricity		
(a) Purchased		
Unit in Lacs (kWh)	72.60	70.99
Total Amount (Rs. in Lacs)	277.29	264.39
Rate/Unit (Rs.)	3.82	3.77
(b) Own generation		
(i) Through diesel generator		
Unit in Lacs (kWh)	1.56	2.57
Units per Ltr. Of diesel oil	3.49	3.88
Cost/unit (Rs.)	19.71	10.75
(ii) Through steam turbine/generator		N.A.
Coal (specify quality and where used)		N.A.
2. Diesel oil		
Quantity (K. Ltrs.)	390.17	389.29
Total amount (Rs. in Lacs)	195.96	161.56
Average rate (Rs. per Ltr)	48.43	42.37
Others/internal generation (please give details)		N.A.

B. Consumption per unit of production:

	Standards (if any)	Current year	Previous year
Electricity	(KWH)	N.A.	N.A.
Furnace oil	(Ltr/Kg)	N.A.	N.A.
Coal	N.A.	N.A.	N.A.
Others		N.A.	N.A.

ACKNOWLEDGEMENT

The Directors express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers and Hyatt International 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: 13.08.2013

(P L Suri)
Chairman and Managing Director
DIN: 00256300

Statement pursuant to section 212 of the Companies Act, 1956

Name of the Subsidiary	Blue Coast Hospitality Limited	Golden Joy Hotel Private Limited	Silver Resort Hotel India Private Limited
Financial Year of the subsidiary ended on	March 31, 2013	March 31, 2013	March 31, 2013
Number of shares in the subsidiary held by the Company and percentage	50,000 equity shares of Rs.10/- each fully paid up aggregating to Rs.5,00,000/- (100%)	50,000 equity shares of Rs.10/- each fully paid up aggregating to Rs.5,00,000/- (100%)	18,85,10,000 equity shares of Rs.10/- each fully paid up aggregating to Rs.188,51,00,000/- (68.92%)
Net aggregate profits/ losses of the subsidiary for the current year so far as it concerns the members of the holding company:	(Rs. in Thousand)	(Rs. in Thousand)	(Rs. in Thousand)
a) dealt with or provided for in the accounts of the holding company	Nil	Nil	Nil
b) not dealt with or provided for in the accounts of the holding company	(66)	(53)	(1271.57)
Net aggregate profits/ losses of the subsidiary for the previous financial years so far as it concerns the members of the holding company:			
a) dealt with or provided for in the accounts of the holding company	Nil	Nil	Nil
b) not dealt with or provided for in the accounts of the holding company	(53)	(69)	(1188.87)
Change in the interest of the Company between the end of the last financial year and 31st March 2013	None	None	None
Material Changes between the end of the last financial year and 31st March 2013	None	None	None

Corporate Governance Report

Annexure B

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from culture and mindset of the organization.

The Company is committed to focus 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.

BOARD OF DIRECTORS

The Board of Directors of the Company consists of a combination of Directors having varied experience and knowledge. The functioning of the Board is aimed at steering the Company towards the path of growth by taking the decisions in the best interests of the Company.

The Board of the Company, as on 31st March 2013, was comprised of Chairman and Managing Director, one Executive Director and five Non-Executive Directors of whom three were independent directors and one nominee director.

The Board Meetings were scheduled in accordance with the provisions of the applicable laws and guidelines. During financial year 2012-13, the Board met Four (4) times on 14th May 2012, 13th August 2012, 05th November 2012 & 13th February 2013.

Composition and Category of the Board during the year and their attendance in the Board and Annual General Meetings are as hereunder:

Name of Director	Category	No. of Board Meetings attended	Last AGM attended	No. of other Directorships (Public Ltd companies)@	No. of other Directorships (Private Ltd companies)	No. of Committee memberships@#	No. of Chairmanship in Board/committees@#
Mr. P.L. Suri	Chairman & Mg. Director Promoter	4	Yes	1	5	-	-
Mrs. Sunita Suri	Executive Director Promoter	3	Yes	1	6	-	-
Mrs. Mamta Suri	Non Executive Promoter	3	No	-	4	-	-
Mr. B K Goswami*	Independent Non Executive	2	Yes	-	-	-	-
Mr. K S Mehta*	Independent Non Executive	3	No	-	-	-	-
Dr. Vijay Mohan Kaul	Independent Non Executive	2	No	-	-	-	-
Mr. Ashoka Kini	Independent Non Executive	4	No	-	1	-	-
Mr. Rajinder Sharma*	Independent Non Executive	1	No	-	1	-	-
Mr. P. V. Srinivas*	Nominee Financial Institutions	2	No	3	1	-	-

* Mr. B. K. Goswami & Mr. K. S. Mehta resigned during F.Y. 2012-13. Mr. Rajinder Sharma resigned w.e.f. 30.04.2013 and the Financial Institution has withdrawn its nomination from the Board w.e.f. 10.07.2013.

+ Other Directorships does not include the Directorships in Section 25 Companies of the Companies Act, 1956.

@ No. of Other Directorships/ Membership/ Chairmanship in the Board/ Committees of the Company excludes the Directorship / Membership / Chairmanship in the Company.

#Committee positions of only 2 Committees namely Audit Committee and Investors'/Shareholders' Grievance Committee has been considered pursuant to Clause 49 of Listing Agreement.

COMMITTEE OF DIRECTORS:

The following Committees of the Board of Directors of the Company were in existence during the year:

a) Audit Committee:

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in Clause 49 of the Listing Agreement. The terms of reference includes:-

- Overseeing financial reporting processes;
- Reviewing periodic financial results, financial statements and adequacy of internal control systems;
- Discussion and review of periodic audit reports;
- Discussions with external auditors about the scope of audit including the observations of the auditors;
- Recommending the appointment, remuneration and removal of statutory auditors;
- Discussing with internal auditors any significant findings and follow up there on;
- Reviewing the adequacy of internal control systems with management, external and internal auditors and reviewing the Company's financial risk and management policies;
- Approval of appointment of CFO.

All the members of the Audit Committee are Non-Executive Directors and the Chairman of the Committee is Non-Executive and Independent Director. All the members of the Committee are financially literate.

Five meetings of the committee were held during the period under report viz., on 14th May 2012, 13th August, 2012, 28th August, 2012, 5th November 2012 & 13th February, 2013.

The members of the Audit Committee and their attendance are as under:

Audit Committee Composition			Attendance Particulars	
Name of Members	Position	Category	No. of Meetings held	No. of Meetings attended
Mr. B K Goswami*	Chairman	Independent / Non-executive	5	3
Mr. K S Mehta*	Member	Independent / Non-executive	5	4
Dr. V M Kaul	Member	Independent / Non-executive	5	2
Mrs. Mamta Suri	Member	Non-executive	5	3
Mr. Ashoka Kini#	Member/ Chairman	Independent / Non-executive	5	5

*Mr. B. K. Goswami & Mr. K. S. Mehta resigned during F.Y. 2012-13.

#Mr. Ashoka Kini is the Chairman of the Audit Committee w.e.f 13.02.2013.

Company Secretary of the Company acts as Secretary of the Audit Committee.

b) Remuneration Committee:

The Remuneration Committee comprised of three Independent Non-Executive Directors viz. Mr. K S Mehta, Chairman, Mr. B K Goswami and Dr. V M Kaul as members. However, Mr. B. K. Goswami & Mr. K. S. Mehta resigned during the year.

Terms of Reference of the Remuneration Committee include:

- To determine the remuneration, review of performance and decide on variable pay of executive Directors.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Remuneration Committee.

No meeting of the committee was held during the period 2012-13.

The Remuneration Policy of the Company for managerial personnel is primarily based on the following criteria:

- Performance of the Company, its divisions and units.
- Track record, potential, past remuneration and performance of individual appointee
- External competitive environment.

No remuneration was paid to the Non-Executive Directors except the sitting fee payable for attending the Board / Committee Meetings. No stock option has been offered to the Directors or Executives of the Company.

Details of remuneration paid/ payable to the directors during the period under report are as under:-

(Amount in Rs.)

Name of the Director(s)	Mr. P L Suri	Mrs. Sunita Suri	Mrs. Mamta Suri	Mr. B K Goswami	Mr. K S Mehta	Mr. Ashoka Kini	Dr. V M Kaul	Mr. P V Srinivas	Mr. Rajinder Sharma
Designation	Chairman & Managing Director	Executive Director	Director	Director	Director	Director	Director	Nominee Director	Director
Salary	21,00,000	15,00,000	--	--	--	--	--	--	--
Benefits	--	--	--	--	--	--	--	--	--
Bonus	--	--	--	--	--	--	--	--	--
Commission	--	--	--	--	--	--	--	--	--
Pension	--	--	--	--	--	--	--	--	--
Others (Provident Fund)	--	--	--	--	--	--	--	--	--
Break up of fixed components and Performance linked incentives with performance criteria	--	--	--	--	--	--	--	--	--
Performance Incentive	--	--	--	--	--	--	--	--	--
Service Contract	3 years	3 years	--	--	--	--	--	--	--
Notice Period, Severance fees	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Stock Options details (if any): Whether issued at discount. Period over which it is accrued and is exercisable	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sitting Fees	--	--	30,000	25,000	35,000	45,000	20,000	10,000	5,000
Total	21,00,000	15,00,000	30,000	25,000	35,000	45,000	20,000	10,000	5,000

Details of the shares held by each of the Directors in the Company as on March 31, 2013:

Name of Director	Category	No. of Equity shares of Rs. 10/- each	No. of Preference shares of Rs. 100/- each
Mr. P. L. Suri	Chairman & Managing Director	30,400	Nil
Mrs. Sunita Suri	Executive Director	25,200	3,15,000
Mrs. Mamta Suri	Non Executive	89,000	2,50,000
Dr. Vijay Mohan Kaul	Independent Non Executive	Nil	Nil
Mr. Ashoka Kini	Independent Non Executive	Nil	Nil
Mr. P V Srinivas	Nominee - IFCI Ltd.	Nil	Nil
Mr. Rajinder Sharma	Independent Non Executive	Nil	Nil

c) Investors Grievance Committee:

The Investors Grievance Committee comprises:

1. Mr. Ashoka Kini- Chairman
2. Mrs. Mamta Suri- Member
3. Dr. VM Kaul- Member

The Chairman of the Committee is Non-Executive and Independent Director. The Committee ensures redressal of shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, etc. Share transfers are processed well within the stipulated period. Mr. B. K. Goswami & Mr. K. S. Mehta were members of the Committee but since they have resigned from the directorship of the company, the Committee was reconstituted.

Company Secretary of the Company acts as the Compliance Officer of the Company.

Status of Shareholders Complaints during the year

Complaints at the beginning of the year, 1st April 2012	Complaints received during the year 1st April 2012-31st March 2013	Complaints settled during the year 1st April 2012-31st March 2013	Complaints pending at the end of the year, 31st March 2013
NIL	NIL	NIL	NIL

GENERAL BODY MEETINGS

Location and time where last 3 Annual General Meetings were held:

FINANCIAL YEAR	AGM	DATE	VENUE	TIME
2009-10	17th	29th September, 2010	263C, Arossim, Cansaulim, Goa-403712.	10.00 a.m.
2010-11	18th	30th September, 2011	263C, Arossim, Cansaulim, Goa-403712.	10.30 a.m.
2011-12	19th	29th September, 2012	263C, Arossim, Cansaulim, Goa-403712.	3.30 p.m.

Detail of special resolutions passed in last three Annual General Meetings:

Sl. No.	Particulars of Special Resolution	Date	Financial Year
1	Re-appointment of Mr. P L Suri as Chairman & Managing Director for a period of three years	30th September 2011	2010-11
2	Re-appointment of Mrs. Sunita Suri as Executive Director for a period of three years	30th September 2011	2010-11
3	Alteration of Articles of Association of the Company	30th September 2011	2010-11
4	Investment in Subsidiary Company	30th September 2011	2010-11
5	Investment in Wholly Owned Subsidiary Company	30th September 2011	2010-11
6	Investment in Wholly Owned Subsidiary Company	30th September 2011	2010-11

Special Resolutions passed last year through postal ballot - details of voting pattern:

During the financial year 2012-13, the Company had not passed any special resolutions through postal ballot.

Whether any special resolution is proposed to be conducted through postal ballot and Procedure for postal ballot:

No

DISCLOSURES:

- i. None of the transactions with related parties is in conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note No. 35 of Notes on Accounts in the Annual Report.
- ii. During the last three years, there were no penalties or strictures imposed on the Company either by the Stock Exchange(s) or SEBI for non-compliance of any matter related to capital market.
- iii. Presently, the Company does not have a Whistle Blower Policy. No personnel of the Company have been denied access to the Audit Committee.
- iv. The Company has complied with all the mandatory requirements of Clause 49. As regard the non-mandatory requirements, the extent of compliance has been stated in this report against each of them.

MEANS OF COMMUNICATION

- i. The quarterly results of the Company are published in leading and widely circulated English/Hindi National/Regional Newspapers as per the requirements of the Stock Exchanges. The results are also faxed and couriered to the Stock Exchanges where the Company is listed.
- ii. The results normally published in Financial Express (English) and Tarun Bharat (Hindi) in the reporting period.
- iii. The Company's Financial Results, Shareholding Pattern etc. are displayed on the Company's website www.bluecoast.in.

- iv. The Company regularly updates the media, analysts, etc., through its financials. The Management Discussion and Analysis forms an integral part of the Annual Report. Annual Report is sent to all the Stock Exchanges and Members of the Company.

GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting:

20th Annual General Meeting is scheduled as under:-

Day	Date	Time	Venue
Monday	30th September 2013	10.30 a.m.	263C, Arossim, Cansaulim, Goa 403712

ii. Financial Year: 1st April to 31st March

Financial Calender (tentative and subject to change)

For the year ending 31st March 2014 the financial results will be announced by:

Quarter Ended 30th June, 2013	:	First fortnight of August, 2013
Quarter Ended 30th Sept., 2013	:	First fortnight of November, 2013
Quarter Ended 31st Dec., 2013	:	First fortnight of February, 2014
Quarter Ended 31st March, 2014 and Annual Results	:	End of May, 2014

iii. Book Closure: Monday, 23rd September 2013 to Monday, 30th September, 2013

iv. Dividend Payment Date: No dividend is being recommended for the year ended 31st March, 2013

v. Listing on Stock Exchanges: Equity shares of the Company are listed on:

- Bombay Stock Exchange Limited
- The National Stock Exchange of India Limited

vi. Stock Code: 531495(BSE), BLUECOAST (NSE)

ISIN: INE472B01011

vii. High & low Market Price Data of Equity Shares during each month in last financial year:

Months	BSE		NSE	
	High	Low	High	Low
April 2012	168.95	135.30	136.80	117.90
May 2012	172.95	127.50	141.80	128.80
June 2012	164.95	127.20	155.10	141.45
July 2012	155.45	134.00	155.10	120.10
August 2012	162.20	137.65	132.05	119.50
September 2012	164.70	148.70	125.45	107.90
October 2012	170.50	119.75	126.00	113.60
November 2012	153.75	119.35	119.25	102.65
December 2012	138.40	105.80	105.05	95.05
January 2013	131.40	107.85	104.75	94.40
February 2013	117.95	96.95	94.00	80.80
March 2013	117.85	76.95	94.05	85.15

viii. Share price performance in comparison to BSE Sensex and NSE Nifty:

MONTH(S) (As on end of last trading day of the month)	SHARE PRICES COMPARISION			
	BSE (Sensex)	BLUECOAST (BSE)	NSE (Nifty)	BLUECOAST (NSE)
April 2012	17318.81	164.75	5248.15	135.55
May 2012	16218.53	127.50	4924.25	141.80
June 2012	17429.98	141.55	5278.90	155.10
July 2012	17236.18	147.70	5229.00	139.00
August 2012	17429.56	151.60.	5258.50	119.50
September 2012	18762.74	154.70	5703.30	118.90
October 2012	18505.38	125.00	5597.90	113.60
November 2012	19339.90	143.75	5879.85	100.05
December 2012	19426.71	125.15	5905.10	95.05
January 2013	19894.98	107.85	6034.75	94.40
February 2013	18861.54	101.75	5693.05	80.80
March 2013	18835.77	76.95	5682.55	93.50

ix. Registrar and Share Transfer Agent

The Company has appointed RCMC Share Registry Pvt. Ltd. as its registrar and share transfer agent (RTA) for equity shares (kept in physical as well as electronic mode). All communication relating to the transfer of shares, change of address etc. can be addressed to the RTA at the following address:

RCMC Share Registry Pvt. Ltd.

B-106, Sector-2,

NOIDA-201301, U.P.

Ph. : 0120 - 4015880

Fax : 0120 - 2444346.

x. Share Transfer System

The Company's shares being in compulsory de-mat form are transferable through the depository system. The Shares in physical form are processed by the Registrar and Transfer Agents and approved by the Investors Grievances Committee. Share transfer process are regularly reviewed by the Board.

In compliance with the Listing Guidelines a practicing Company Secretary audits the Share Transfer system and a certificate to that effect is issued by him periodically.

xi. Distribution of equity shareholders as on 31st March, 2013:

Nominal Share Capital (Rs.)		No. of Shareholders	% of total Shareholders	Shareholding
Upto	- 5000	930	87.82	0.95
5001	- 10000	29	2.74	0.25
10001	- 20000	23	2.17	0.38
20001	- 30000	28	2.64	0.78
30001	- 40000	3	0.28	0.12
40001	- 50000	3	0.28	0.16
50001	- 100000	5	0.47	0.43
100001	- & above	38	3.59	96.91
TOTAL		1059	100	100

Categories of equity shareholders as on 31st March 2013:

	No. of Folio's	% to total Folios	No. of Shares held	% to total Shares
PROMOTERS				
Indian	24	2.27	39,43,000	44.48
TOTAL (A)	24	2.27	39,43,000	44.48
NRI's	9	0.84	11,681	0.13
Bodies Corporate	59	5.57	23,43,278	26.43
Clearing Members	6	0.57	1,745	0.02
Individual	959	90.56	2,53,096	2.86
Trusts	2	0.19	23,12,162	26.08
TOTAL (B)	1,035	97.73	49,21,962	55.52
TOTAL {(A) + (B)} = (C)	1,059	100.00	88,64,962	100.00

Voting Rights in the Company

Break up of the paid-up Share Capital of the Company which enjoys right to vote on every resolution placed before the Company at the ensuing Annual General Meeting:

Held by	Equity shares (listed) Rs.	%age	Pref. Share Capital (not listed) Rs.	%age	Total Rs.	Total %age
Promoters	39430000	44.48	815000000*	100.00	854430000	94.55
Non Promoters	49219620	55.52	0	0.00	49219620	5.45
Total	88649620	100.00	815000000	100.00	903649620	100.00

* in terms of the provisions contained in Section 87(2)(b)(i) of the Companies Act, 1956.

xii. Dematerialisation of Shares and liquidity:

The Company's shares are traded only in dematerialized form and to facilitate that the Company has executed agreements with both existing Depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and has established connectivity with the depositories through its Registrar and Share Transfer Agent, RCMC Share Registry Pvt. Ltd. As on March 31, 2013, 64,20,660 equity shares that is 72.43% of the Company's Issued and Paid-up Equity Share Capital have been dematerialized.

xiii. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments etc. upto 31.03.2013.

xiv. Plant Location:

The Company is solely engaged in the Hotel business and its hotel is situated at the following address:

Park Hyatt Goa Resort & Spa
263C, Arossim, Cansaulim,
Goa - 403712

xv. Address for Correspondence:**Blue Coast Hotels Limited****Registered Office:**

263C, Arossim, Cansaulim,
Goa - 403712
Tel. : 0832 2721234
Fax: 0832 2721235

Corporate Office:

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

COMPLIANCE WITH THE CODE OF CONDUCT

Pursuant to the SEBI (Prevention of Insider Trading) Regulations, 2002 the Board of Directors of the Company has adopted a Code of Conduct for the Prevention of Insider Trading. The Code is available on the official website of the Company www.bluecoast.in

CEO/CFO CERTIFICATION

The Managing Director and Chief Financial Officer have certified to the Board, inter-alia, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Clause 49(V) of the Listing Agreement, for the year ended 31st March 2013.

Non-Mandatory Requirements

The status/ extent of compliance of non mandatory requirements is as follows:

(1) (a) Maintenance of Non-Executive Chairman's Office

Presently, the Company is not maintaining office of the Non-Executive Chairman.

(b) Independent Directors may have tenure, not exceeding, in the aggregate, a period of nine years, on the Board of the Company.

As on date, Company has one Independent Director having a term of office exceeding nine years.

- (2) Remuneration Committee.

Already constituted. Details given in the preceding paragraphs.

- (3) Half-yearly financial performance and summary of significant events to be sent to each household of shareholders.

The Company's Financial Results, Shareholding Pattern etc. are displayed on the Company's website www.bluecoast.in.

- (4) Audit Qualifications presently not applicable to the Company.

- (5) Training of the Board Members.

Presently the Company does not have such training programme.

- (6) Mechanism for evaluating Non-Executive Board Members.

Presently, the Company does not have such a mechanism as contemplated for evaluating the performance of Non-Executive Board Members.

- (7) Whistle Blower Policy

Presently, the Company does not have a Whistle Blower Policy. However, no personnel has been denied access to the Audit Committee.

Depository Services

For guidance on depository services, shareholders may write to the Company or to the respective Depositories:

National Securities Depository Ltd.

Trade World, 4th Floor, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai-400013.

Telephone: 022-24994200

Facsimile: 022-24972993

E-Mail : info@nsdl.co.in

Website : www.nsdl.co.in

Central Depository Services (India) Ltd.

Phiroze Jeejeebhoy Towers,
28th Floor, Dalal Street, Mumbai-400023.

Telephone : 022-22723333/ 3224

Facsimile : 022-22723199

E-Mail : investors@cdslindia.com

Website : www.cdslindia.com

Declaration by the Chairman & Managing Director under Clause 49 (1D) of the Listing Agreement on Code of Conduct

I hereby confirm that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management, as approved by the Board, for the financial year ended March 31, 2013.

Date: 13.08.2013

Place: New Delhi

P. L. Suri

Chairman & Managing Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure & Developments

In India, as prevailed in most of the countries around the world, tourism is an important sector of the economy and contributes significantly in the country's GDP as well as Foreign Exchange Earnings (FEE). India's rich cultural heritage and history, food, friendly people, architectural monuments, hospitality and services are positive strengths for its tourism sector, which make it ahead of many of the emerging markets.

The sector contributes 6.23 per cent to the national gross domestic product (GDP) and 8.78 per cent of the total employment in India. Moreover, India stands 42nd in the world rankings in terms of foreign tourist arrivals (FTAs) in the country, according to a report titled 'Competitiveness of Tourism Sector in India with Selected Other Countries of the World' by Ministry of Tourism. The World Travel and Tourism Council (WTTC) named India as one of the fastest growing tourism industries for the next 10 to 15 years.

Global Tourism Industry

According to the research, conducted by World Travel and Tourism Council (WTTC) in 2013:

The direct contribution of Travel & Tourism to GDP was USD 2,056.6bn (2.9% of total GDP) in 2012, and is forecast to rise by 3.1% in 2013, and to rise by 4.4% pa, from 2013-2023 (in constant 2012 prices).

In percentage growth terms, Asia, Latin America and Sub-Saharan Africa were amongst the fastest growing destination markets in 2012. Though in absolute change terms, visitor exports growth to North America and Europe exceeded expectations in 2012 and explain most of the growth in global visitor exports.

Looking ahead to 2013, the slowdown in Travel & Tourism international demand growth observed in the second half of 2012 is forecast to continue. But offsetting this is an improving macroeconomic environment, where the imminent prospect of a eurozone break-up has reduced, and risks are shifting to the upside. However, a quick return to robust growth, especially in the eurozone, will remain elusive in the short-term.

Further, USA economy is in recovery path which is a welcome sign for the world industry and its effect will bring thrust on tourism in next 2-3 years.

Indian Tourism and Hotel Industry

The constant transformation has made the Indian hotel industry more functional and practical and has gained a level of acceptance world over. The standards of facilities and services offered have evolved over the last decade towards the extensive use of technology, environment friendly services, pricing, market segmentation, regional preferences, etc. The Indian hotel industry has seen a significant growth in room inventory across categories from upscale luxury to limited services and boutique & budget hotels. The occupancy and the room rates have seen continued gains both from the domestic and the international traveler in both the business and leisure segment. With the continued growth in India's GDP, improvement in the per capita income and increased aspirational

spending, the Indian hospitality sector is expected to grow faster than most countries around the world.

The amount of foreign direct investments (FDI) inflow into the hotel and tourism sector during April 2000 to January 2013 was worth US\$ 6,561.78 million, as per data provided by Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce.

Foreign Tourists Arrivals (FTAs) have shown a growth of 5.4 per cent over last year as the FTAs rose from 6.31 million to 6.65 million (provisional) while the growth rate in Foreign Exchange Earnings (FEEs) from tourism stood at 21 per cent over the same period in rupee terms. For promoting tourism, the Ministry of Home Affairs has extended Tourist Visa on Arrival (TVoA) Scheme to 11 countries. The Ministry of Tourism has further requested to the Ministry of Home Affairs to extend the TVoA Scheme to 16 more countries.

The Government of India allows 100 per cent foreign direct investment (FDI) in the hotel sector on automated basis. The Indian companies in the hotel sector, with a total project cost of Rs 250 crore (US\$ 45.70 million) or more, irrespective of their geographical location, have been allowed to tap the external commercial borrowing (ECB) route.

Tourism and Hotel Industry in Goa

Tourism is a key economic activity of Goa, has contributed substantially to the economic development of the state in terms of employment generation and a key foreign exchange earner.

Goa government has banned drinking liquor on beaches in a bid to curb littering and nuisance caused to women tourists. The prohibition order is an act envisages to protect and maintain the tourist places from deterioration and erosion and preserve the tourism potential.

In the aftermath of multiple incidents involving crimes against tourists in Goa and travel advisories issued by multiple countries against India, the Department of Tourism, Government of Goa has constituted strict measures to safeguard tourist safety, especially women travellers. The new integrated terminal at Dabolim Airport will be opening shortly will lead to greater influx of foreign tourists to Goa.

Tourists from Russia have touched 1.25 lakh mark in this tourist season, upsetting the monopoly of the UK in Goa tourism market. Tourist arrivals from Russia will continue in Goa because the travelling time and cost to come here from Moscow is lesser as compared to from the European countries. The Russian tourist arrivals were really helping Goa tourism industry in the backdrop of sagging number of arrivals from European destinations like the UK. Around 1.5 lakh Russian tourists are projected to visit Goa in the forthcoming tourist season, October 2013-May 2014. For the next five years, Goa tourism will have to depend a lot on the arrivals from Russia as the European market is lacklustre.

Goa Tourism plans to focus on new markets like Japan, The US, Gulf States and South East Asia from the coming season beginning mid-September'13. Fourteen Travel Agents & Tour Operators from the Gulf recently visited Goa to check Goa's Tourism potential.

Opportunities and Threats

India offers a readymade tourist destination with the vibrant resources it has. Thus the magnet to pull customers already exists and has potential to grow. A very wide variety of hotels including International Brands are present in the country providing International standards of services which is helpful to attract tourists from all over the world and can fulfill their demands.

The Ministry of Tourism, Government of India, has consistently been working on improving India as a prime destination for tourists. The Ministry of Tourism has adopted the Code of Conduct for 'Safe & Honourable Tourism' to ensure that Indian tourism follows international standards of safe tourism.

The Indian sub-continent continues to face pressure on operational metrics with supply additions in several pockets outpacing demand growth. In the wake of continued business weakness hotels are focusing on non-room revenue segments like Food & Beverage (F&B) and MICE, to mitigate the impact. The F&B segment has been witnessing healthy demand on the back of increasing purchasing power and changing aspirations of consumers - willing to pay for new cuisines and experiences.

With the impending elections in 2014, economic crisis in western nations and oversupply of hotel rooms, the hotel industry expects modest growth in 2013-14. While occupancies are expected to be stable, the room rates could drop in business hotels in cities other than travel destinations like Goa, Kerala etc., however in premium segment the industry is expected to do better because of their focus also on non-room revenue segments like Food & Beverage, MICE, High Net Worth Weddings.

However, looking into the depreciating rupee and the continuing unrest in global hotspots such as Egypt and Turkey, the hotel industry is expecting a steep rise in foreign tourists arrivals in 2013-14. In addition, opening of new low cost Airlines viz. Air Asia will help the industry to attract more tourists including domestic.

Financial Performance with respect to operational performance

For the period under report the Company's total income for the year under report stood at Rs.9748.01 lakhs (previous period Rs.10119.10 lakhs). The Company has incurred a net loss (after tax) of Rs.747.60 lacs as against the net loss (after tax) of Rs.1034.83 lacs last year. With drop in operational income, the Rev PAR is 8% lower, i.e., Rs. 6,975/- compared to Rs. 7,159/- last year.

Segment Wise Performance

The company is presently engaged in only one segment of business i.e. Hotel and owns Park Hyatt Goa Resort & Spa which is located in the State of Goa. Despite fall in occupancy, Park Hyatt Goa Resort and Spa, continues to lead its top position in the Goa market.

Future Plans and Outlook

The Company is in the process of developing a Villa Project on vacant land of the Company's Hotel "Park Hyatt Goa Resort & Spa" at Goa. Outlook of the company in the immediate future look promising in the year 2013-2014.

Risks and Concerns

India has often been cited as one of the most lucrative albeit difficult markets to develop properties in. Issues like land availability, rising land prices, licensing issues, multiple approvals, complex approval procedures, high financing costs lead to a long development cycle of 3-5 years for a 5 star hotel in India which ultimately results in high room tariffs and long gestation periods for achieving break even. There are several other challenges in the sector that needs to be addressed & key among them include talent management, tax and regulatory issues and the infrastructure deficit.

The rupee has depreciated considerably against dollar and hence there is large fluctuation on foreign exchange conversion. In our hotel, Hyatt International is following single currency concept which has to a large extent neutralize the impact of foreign exchange fluctuation.

Internal Control Systems and their adequacy

The Company believes that internal controls are essential ingredient towards achieving excellence in corporate governance. Accordingly, it has set adequate control systems in terms of financial reporting, efficiency of operations and compliance with various rules, regulations etc. Regular Audit is being carried out by the Internal Auditors as well as Statutory Auditors, reports whereof are regularly presented before the Audit Committee of the Board which reviews the adequacy of the internal control system on regular basis and monitors on continuous basis the implementations of the Internal Audit recommendations.

Development in 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 company continues to focus on its endeavor to be a preferred employer in Goa and aims to retain and recruit quality professional and provide them with a high performance environment. The number of people employed on full time basis by the Company as on 31st March 2013 stood at 605, including outsourced employees.

Cautionary Statement

Certain statements made in the Management Discussions and Analysis Report is based on the prediction and expectations of the Management and may be 'forward looking statements' within the meaning of applicable securities laws and regulations. The views and futuristic statements contained in this report are the perception of management and subject to certain risks and uncertainty that could cause actual results to differ materially from those reflected in such statements. The Company undertakes no obligations to publicly update or revise any of these futuristic statements, whether as a result of new information, future events, or otherwise.

**CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCE OFFICER OF
BLUE COAST HOTELS LIMITED**

We, P L Suri, Chairman & Managing Director and Suresh Gupta, Asstt. Vice President (F&A) & CFO of Blue Coast Hotels Limited, to the best of our knowledge and belief certify that:

- a. We have reviewed the financial statements and Cash Flow Statement for the year ended 31st March, 2013 and 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. We also certify that to the best of our knowledge and belief, there are no transactions entered into by Blue Coast Hotels Limited, during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and 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, if any, in Internal controls during the year.
 - ii. Significant changes, if any, 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: Gurgaon.

Date: 13.06.2013

(P L Suri)

Chairman & Managing Director

(Suresh Gupta)

AVP (F& A) & CFO

Undertaking

The Company hereby undertakes that the annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time.

The annual accounts of the subsidiary companies shall also be kept open for inspection by any shareholder at the corporate office of the holding company and of the subsidiary companies concerned at 415-417, Antriksh Bhawan, 22, K G Marg, New Delhi - 110001.

The Company shall furnish a hard copy of the details of accounts of subsidiaries to any shareholder on demand.

On behalf of the Board
For **Blue Coast Hotels Limited**

Prakash Prusty
Company Secretary

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:

To
The Members of
Blue Coast Hotels Limited

We have examined the compliance of conditions of Corporate Governance by Blue Coast Hotels Limited, for the period ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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 as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March 2013, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the company which is presented to the shareholders/ Investors Grievance Committee.

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

For M. Kamal Mahajan And Co.
Chartered Accountants

Place : New Delhi
Date : 13.08.2013

M. K. Mahajan
Partner
M. No.: 017418

Independent Auditors' Report

To the Members of Blue Coast Hotels Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Blue Coast Hotels Limited** ("the company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

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

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

Matters of Emphasis

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

- i. Note no. 4(C)(ii) regarding recalling the entire loan and interest of Rs. 13609.82 lacs by the financial institution under section 13(2) of Chapter III of "The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002".
- ii. Note no. 4(E) regarding continuous default by the company in payment of debenture interest to the tune of Rs. 1613.66 lacs.

- iii. Foot Note (i) of Note 20 regarding contingent liability of Rs. 16199.93 lacs for obligations towards buy back of shares of the subsidiary company which is secured against the Goa hotel property of the company and default by the company in meeting its initial installment of buy back obligation.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - e. On the basis of written representations received from the directors, as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

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

Date : 13.06.2013
Place : New Delhi

Annexure to Independent Auditors' Report of Blue Coast Hotels Limited

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date.

- (i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets
- (b) As explained to us, all the fixed assets have been physically verified by the management during the year. As explained to us by the company, no material discrepancies were noticed on such verification
- (c) During the period, the company has not disposed off substantial part of the fixed assets.
- (ii) (a) As explained to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- (iii) As per records of the company and as per information and explanations furnished to us, during the year, the company has not granted any loans, secured or unsecured to/ from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956 except grant of interest free unsecured term loans of Rs. 23.20 lacs (Maximum and year end balance Rs. 463.96 lacs) to two wholly owned subsidiary companies. As the companies are wholly owned subsidiaries of the company, in our opinion, terms of the loans are not prejudicial to the interest of the company.

As per records of the company and as per information and explanations furnished to us, the company has not taken any loans, secured or unsecured to/ from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Unsecured loan of Rs. 450.00 lacs from one related company has been repaid in full during the year (Refer Note No. 4(D) of Financial Statements). In our opinion, rate of interest and other terms of the loans are not prejudicial to the interest of the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls systems.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section

- 301 of the act, wherever applicable, have been entered in the register required to be maintained under that section
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices not below the costs incurred by the company.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public and hence provisions of section 58A and 58AA of the Companies Act, 1956 are not applicable.
- (vii) In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with the size of the company and nature of its business.
- (viii) As explained to us, the Central Government has not prescribed any cost records under Section 209 (1) (d) of the Companies Act, 1956 for the company.
- (ix) (a) According to the records of the company, the company in general, is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales-tax, Wealth-tax Service tax, custom duty, Excise duty, Cess and other statutory dues applicable to it *except undisputed amount of Rs. 131.95 lacs in respect of TDS & Rs. 56.58 lacs as income tax which are outstanding in the books of accounts as on 31.03.2013 for a period of six months from the date the amount became payable.*
- (b) According to the information and explanations given to us and on the basis of our verification of books of accounts of the company, no amounts payable in respect of Sales-tax, Wealth tax, Service-tax Custom duty, Excise duty, cess were outstanding, as at 31st March, 2013 due to any dispute.
- (x) The company has no accumulated losses as on 31st March, 2013. The company has not incurred cash losses during the year covered by our audit *but incurred in the immediately preceding financial year.*
- (xi) Based on our audit procedures and on the information and explanations give by the management, *the company has defaulted in repayment of dues to financial institutions and debenture holders of Rs. 13609.82 lacs and Rs. 1613.66 lacs on account of principal amount and interest amount respectively. (Refer Note no. 4(E) of Notes on financial statements).*
- (xii) Based on our examination of documents and records, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund/ nidhi/ mutual benefit fund/ societies and hence provisions of clause (xiii) are not applicable to it.
- (xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments hence provisions of this clause are not applicable to it.
- (xv) Based on our examination of the records of the company and as explained to us, the company has given

guarantee of Rs. 6500.00 lacs to bank/ financial institution for loans taken by an associate company setting up five star hotel project in Chandigarh. As the guarantee is given for an associate company, in our opinion, the terms & condition of the guarantee is not prima-facie prejudicial to the interest of the company. (Refer Foot Note No. (ii) of note 20 of notes on financial statements)

- (xvi) Based on our examination of the records, we are of the opinion that the term loans have been applied for the purpose for which they were raised.
- (xvii) Based on our examination of the records, we are of the opinion that funds raised from short term basis were not used for long term investment.
- (xviii) During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) *The company is yet to pledge 26% of equity shareholding of the company, as security, as held by its promoters and their affiliates in favour of debentures trustees. (Refer Note no. 4(A)(c) of Notes on financial statements).*
- (xx) During the year covered by our audit, the company has not raised any money by way of public issue.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

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

Date : 13.06.2013
Place : New Delhi

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

Balance Sheet

As at 31st March, 2013

(Rs. in lacs)

	Notes	As at 31.03.2013	As at 31.03.2012
<u>EQUITY AND LIABILITIES</u>			
1. SHAREHOLDERS' FUNDS			
Share capital	2	9036.50	9036.50
Reserves and Surplus	3	5889.32	6636.91
		14925.82	15673.41
2. NON - CURRENT LIABILITIES			
Long-term borrowings	4	6697.55	20111.12
Deferred tax liability (Net)	32	749.97	1051.04
Other Long term liabilities	5	2098.66	2902.61
Long-term provisions	6	128.58	104.11
		9674.76	24168.89
3. CURRENT LIABILITIES			
Short-term borrowings	7	930.82	842.00
Trade payables	8	615.32	315.17
Other current liabilities	9	21259.45	6214.01
Short-term provisions	10	145.18	21.37
		22950.77	7392.55
		47551.35	47234.85
<u>ASSETS</u>			
1. NON-CURRENT ASSETS			
<u>Fixed Assets</u>			
Tangible Assets	11	17642.40	18382.14
Intangible Assets		27.52	38.40
Capital work-in-progress		389.71	13.82
		18059.63	18434.36
Non-current Investments	12	23139.23	23139.23
Long-term loans and advances	13	517.60	528.94
Other non current assets	14	247.01	1047.01
		23903.84	24715.18
2. CURRENT ASSETS			
Inventories	15	1612.76	1467.13
Trade receivables	16	488.35	529.19
Cash and cash equivalents	17	288.26	422.81
Short-term loans and advances	18	953.27	703.28
Other current assets	19	2245.24	962.89
		5587.88	4085.30
		47551.35	47234.85
SIGNIFICANT ACCOUNTING POLICIES			
1			
NOTES ON FINANCIAL STATEMENTS			
2-37			

Per our separate report of even date

For M.Kamal Mahajan And Co.

Chartered Accountants

Firm Regn. No. 006855N

(M K Mahajan)

Partner

Membership No. 017418

Place : New Delhi

Date : 13th June 2013

For & on behalf of the Board

(P. L. Suri)

Chairman & Managing Director

DIN : 00256300

(Suresh Gupta)

AVP (Fin.& Accts.) & CFO

(Prakash Chandra Prusty)

Company Secretary

(Sunita Suri)

Executive Director

DIN : 00256236

(Ashoka Kini)

Director

DIN : 00584044

Statement of Profit and Loss

For the Year Ended 31st March, 2013

	Notes	Year Ended 31.03.2013	Year Ended 31.03.2012
(Rs. in lacs)			
REVENUE			
Revenue from operations	21	9748.01	10119.11
Other Income	22	99.67	96.43
Total Revenue		<u>9847.69</u>	<u>10215.54</u>
EXPENSES			
Cost of materials, stores & supplies	23	1491.56	1691.36
Employee benefits expense	24	1862.76	1713.14
Finance Cost	25	4721.61	4265.75
Depreciation	11	918.08	911.46
Other expenses	26	3310.88	3510.61
Total expenses		<u>12304.89</u>	<u>12092.32</u>
Profit/(Loss) before exceptional and extraordinary items and tax		(2457.20)	(1876.78)
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		(2457.20)	(1876.78)
Extraordinary Items - Income (net of tax of Rs.496.17 lacs)	27	1033.10	232.32
Profit/(Loss) before tax		(1424.10)	(1,644.46)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax	32	(797.24)	(608.92)
(3) Income Tax provision of earlier years		120.73	(0.71)
Profit/(Loss) for the year		(747.60)	(1034.83)
Earnings per equity share of Rs.10/- each:	33		
(1) Basic		(13.57)	(16.81)
(2) Diluted		(13.57)	(16.81)
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-37		

Per our separate report of even date

For M.Kamal Mahajan And Co.

Chartered Accountants
Firm Regn. No. 006855N

(M K Mahajan)

Partner

Membership No. 017418

Place : New Delhi

Date : 13th June 2013

For & on behalf of the Board

(P. L. Suri)

Chairman & Managing Director
DIN : 00256300

(Suresh Gupta)

AVP (Fin.& Accts.) & CFO

(Prakash Chandra Prusty)

Company Secretary

(Sunita Suri)

Executive Director
DIN : 00256236

(Ashoka Kini)

Director
DIN : 00584044

Cash Flow Statement

For the Year Ended 31st March, 2013

(Rs in lacs)

	Notes	Year Ended 31.03.2013	Year Ended 31.03.2012
A. CASH FLOWS FROM OPERATING ACTIVITIES :			
Net Profit/(Loss) before Tax and extraordinary items		(2457.20)	(1876.78)
Adjustments for :			
Depreciation for the year	11	918.08	911.46
Loss on Sale of Fixed Assets	26	0.37	65.92
Allowance for bad & doubtful debts	26	2.71	1.00
Provision for employee benefits	6 & 10	148.28	11.30
Finance cost	25	4721.61	4265.75
Interest Received	22	(9.01)	(14.06)
		<u>5782.04</u>	<u>5241.37</u>
Operating profit before changes in current assets and liabilities		3324.83	3364.58
Changes in current assets and liabilities -			
Trade Receivables	16	38.14	(3.17)
Short term Loans & advances and other current assets	18 & 19	(1532.34)	(668.97)
Inventories	15	(145.63)	41.43
Current liabilities	7, 8 & 9	<u>12777.38</u>	<u>981.92</u>
Cash generated from operations		14462.38	3715.79
Income Tax (TDS)		120.73	(0.71)
Cash Flow before extraordinary items		14341.65	3716.51
Extraordinary items	27	1033.10	232.32
Deferred tax liability on extraordinary items		496.17	111.58
NET CASH GENERATED BY OPERATING ACTIVITIES		<u>15870.92</u>	<u>4060.41</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets (net)	11	(543.72)	(350.93)
Long-term loans and advances	13	11.34	628.11
Others non current assets	14	800.00	(1047.01)
Interest Received	22	9.01	14.06
NET CASH USED IN INVESTING ACTIVITIES		<u>276.64</u>	<u>(755.78)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES:			
Finance cost (paid)		(2064.59)	(3736.24)
Proceeds from Long Term borrowings (Net)	4	(13413.57)	521.48
Proceeds from Long Term liabilities	5	(803.95)	(3.44)
NET CASH GENERATED/(USED) IN FINANCING ACTIVITIES		<u>(16282.11)</u>	<u>(3218.20)</u>
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)		(134.55)	86.44
Cash and Cash equivalents as at beginning of the year		422.81	336.37
Cash and Cash equivalents as at end of the year		288.26	422.81
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-37		

Per our separate report of even date

For M.Kamal Mahajan And Co.

Chartered Accountants

Firm Regn. No. 006855N

(M K Mahajan)

Partner

Membership No. 017418

Place : New Delhi

Date : 13th June 2013

For & on behalf of the Board

(P. L. Suri)

Chairman & Managing Director

DIN : 00256300

(Suresh Gupta)

AVP (Fin.& Accts.) & CFO

(Prakash Chandra Prusty)

Company Secretary

(Sunita Suri)

Executive Director

DIN : 00256236

(Ashoka Kini)

Director

DIN : 00584044

I. SIGNIFICANT ACCOUNTING POLICIES

a) Basis for preparation of accounts

These financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and comply with the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India, to the extent applicable.

b) Use of Estimates

The preparation of financial statement requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and the reported amount of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, useful life of depreciable fixed assets and provision for impairment.

c) Fixed Assets

- i) Fixed assets are recorded at cost of acquisition and stated at historical cost.
- ii) Expenditure incurred on projects during implementation including cost of borrowing is capitalized and shown as capital work-in-progress and is apportioned to various assets on commissioning / completion of the same.

d) Depreciation

Depreciation on fixed assets is provided on straight line method in accordance with Section 205(2)(b) of the Companies Act, 1956 at the rates which are not lower than the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions/deletions during the year has been provided for on pro-rata basis. Assets purchased/installed during the year costing less than Rs. 5,000/- each are fully depreciated in the year of purchase/installation.

e) Investments

Investments are stated at cost of acquisition. Provision is made, where, there is a permanent fall in the value of investment.

f) Revenue recognition

Revenue is recognized when there is reasonable certainty of its ultimate realization/collection. Dividend income is accounted for when the right to receive the same is established.

g) Share Issue Expenses

Share issue expenses including advertisement, printing & stationery and communication expenses are written off against securities premium account.

h) Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date and the resultant net gains or losses are recognized as incomes or expenses in the year in which they arise.

i) Inventory

Inventory of provisions & beverages, wine and liquor, store and operating supplies have been valued at cost on first-in-first-out basis or net realizable value whichever is less.

j) Impairment of assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable amount of an asset which is identified as impaired is estimated and impairment loss is recognized.

k) Provision

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

l) Taxation

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

m) Earning per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to 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 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 of the beginning of the period, unless they have been issued at a later date.

n) Employee Retirement benefits

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 recognized in the statement of profit and loss in the period in which the employee renders the related service.

Defined benefit plans

Defined benefit plans of the company consists of gratuity and leave encashment.

- Gratuity

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

- Leaves Encashment

As per the company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods either to be utilized during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. The value of benefits is determined based on the seniority and the employee's salary.

The liability in respect of defined benefits plans is accrued in the books of accounts on the basis of actuarial valuation carried out by an independent actuary.

Defined contribution plans

Defined contribution plans of the company consist of Provident fund and Employees State Insurance.

- Provident Fund & Employees State Insurance (ESI)

The company makes specified monthly contribution towards the employees' provident fund & ESI for the eligible employees.

The contribution made to provident fund and ESI are charged to statement of profit and loss as and when these become payable.

Notes on Financial Statements for the Year

Ended 31st March 2013

(Rs in lacs)

	As at 31.03.2013	As at 31.03.2012
2. A. SHARE CAPITAL		
<u>Authorised</u>		
26500000 (Previous Year 26500000) Equity Shares of Rs.10/- each	2650.00	2650.00
8150000 (Previous Year 8150000) Preference shares of Rs. 100/- each	<u>8150.00</u>	<u>8150.00</u>
<u>Issued, Subscribed & Paid up</u>		
(i) <u>Equity Share Capital</u>		
8864962 (Previous Year 8864962) Equity Shares of Rs. 10/- each fully paid up	886.50	886.50
(ii) <u>Preference Share capital</u>		
4150000 (Previous Year 4150000), 10% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up	4150.00	4150.00
4000000 (Previous Year 4000000), 1% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up	4000.00	4000.00
	<u>8150.00</u>	<u>8150.00</u>
	<u>9036.50</u>	<u>9036.50</u>

B Reconciliation of the numbers and amount of Equity Shares :

	31.03.2013		31.03.2012	
	Nos.	Amount (Rs./Lacs)	Nos.	Amount (Rs./Lacs)
Outstanding at beginning of the year	8864962	886.50	8864962	886.50
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Outstanding at the end of year	<u>8864962</u>	<u>886.50</u>	<u>8864962</u>	<u>886.50</u>

Reconciliation of the numbers and amount of 10% Cumulative Redeemable Preference Shares :

	31.03.2013		31.03.2012	
	Nos.	Amount (Rs./Lacs)	Nos.	Amount (Rs./Lacs)
Outstanding at beginning of the year	4150000	4150.00	4150000	4150.00
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Outstanding at the end of year	<u>4150000</u>	<u>4150.00</u>	<u>4150000</u>	<u>4150.00</u>

Reconciliation of the numbers and amount of 1% Cumulative Redeemable Preference Shares :

	31.03.2013		31.03.2012	
	Nos.	Amount (Rs./Lacs)	Nos.	Amount (Rs./Lacs)
Outstanding at beginning of the year	4000000	4000.00	4000000	4000.00
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Outstanding at the end of year	4000000	4000.00	4000000	4000.00

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. The equity shares are having a par value of Rs. 10/- each whereas par value for each preference shares is Rs. 100/-. Each holder of equity shares is entitled to one vote per share, whereas preference share holders are participating preference shares and entitled to vote on every resolution placed before the company which directly affects the rights attached to their shares.
- 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.
- iii) 41,50,000 10% cumulative preference shares are redeemable at par in the year 2017-18 and 40,00,000 1% cumulative preference shares are redeemable at par in the year 2019-20. All these shares are subject to put and call option exercisable at the end of 3rd, 6th, 9th and 12th year of allotment. Dividend arrears on above cumulative preference shares as at 31.03.2013 are Rs. 4657.94 Lacs (Previous year Rs. 4202.94 Lacs)
- iv) In accordance with shareholders approval in Annual General Meeting held on 30th September 2009, the Company is in the process of conversion of 40,00,000, 1% Cumulative redeemable preference share of Rs. 100/- each into equity share of Rs. 10/-each in accordance with the applicable guidelines, rules and regulations.
- v) Capital Redemption Reserve for redemption of Preference Shares could not be created during the year because of unavailability of surplus.

D. The company itself being ultimate holding company, therefore disclosure requirements about its parent company are not applicable in the present case.

E. Shareholders holding more than 5% shares -

i) Equity Shares

Name of Shareholder	As at 31-03-2013		As at 31-03-2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ferry Holdings Limited	1162162	13.11	1162162	13.11
Jetty Capital Limited	1150000	12.97	1150000	12.97
Northern Projects Limited*	660000	7.45	660000	7.45

*The ownership in equity shares held by Northern Projects Limited is in dispute with the original owner of these shares & the matter is pending in the court. The court has restrained the present owner of these shares from transferring, alienating, encumbering or otherwise dealing with or parting with the possession of the shares held by it.

ii) Preference Shares

a) 41,50,000, 10% Cumulative Redeemable Shares -

Name of Shareholder	As at 31-03-2013		As at 31-03-2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Brook Investment & Financial Services Pvt. Ltd.	350000	8.43	350000	8.43
Concept Credit & Consultants Pvt. Ltd.	350000	8.43	350000	8.43
Epitom Holdings Pvt. Ltd.	400000	9.64	400000	9.64
Liquid Holdings Pvt. Ltd.	400470	9.65	400470	9.65
Mid-Med Financial Services Pvt. Ltd.	399600	9.63	399600	9.63
React Investment & Financial Services Pvt. Ltd.	400000	9.64	400000	9.64
Scope Credit & Financial Services Pvt. Ltd.	400000	9.64	400000	9.64
Solace Investment & Financial Services Pvt. Ltd.	350000	8.43	350000	8.43
Solitary Investment & Financial Services Pvt. Ltd.	350000	8.43	350000	8.43
Square Investment & Financial Services Pvt. Ltd.	400000	9.64	400000	9.64
Seed Securities & Services Pvt. Ltd.	349930	8.43	349930	8.43

b) 40,00,000, 1% Cumulative Redeemable Shares -

Name of Shareholder	As at 31-03-2013		As at 31-03-2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Epitom Holdings Pvt. Ltd.	285000	7.13	285000	7.13
Liquid Holdings Pvt. Ltd.	287590	7.19	287590	7.19
Mid-Med Financial Services Pvt. Ltd.	285400	7.14	285400	7.14
React Investment & Financial Services Pvt. Ltd.	285000	7.13	285000	7.13
Scope Credit & Financial Services Pvt. Ltd.	285000	7.13	285000	7.13
Solace Investment & Financial Services Pvt. Ltd.	830691	20.77	830691	20.77
Solitary Investment & Financial Services Pvt. Ltd.	335000	8.37	335000	8.37
Square Investment & Financial Services Pvt. Ltd.	285000	7.13	285000	7.13
Seed Securities & Services Pvt. Ltd.	335070	8.38	335070	8.38
Mrs. Sunita Suri	345000	8.63	345000	8.63
Mrs. Mamta Suri	250000	6.25	250000	6.25

- F. During last 5 years immediately preceding the balance sheet date, no Equity Share or Preference share has been issued pursuant to any contract without payment being received in cash. Further the company has neither allotted any share by way of bonus shares, nor it had bought back any Equity or Preference Share during aforesaid period of 5 years.

G. There is no call unpaid as on 31.03.2013

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

(Rs. in Lacs)		
	As at 31.03.2013	As at 31.03.2012
3. RESERVES & SURPLUS		
General Reserve	1926.68	1926.68
Securities Premium Reserve	4668.15	4668.15
Surplus/(Deficit) -		
Opening balance	42.08	1076.91
Profit/(Loss) for the year	<u>(747.60)</u>	<u>(1034.83)</u>
Closing balance	<u>(705.51)</u>	<u>42.08</u>
	<u>5889.32</u>	<u>6636.91</u>
4. LONG TERM BORROWINGS		
(i) Secured		
10000, 12% Redeemable Non Convertible Debentures of Rs. 100000/- each fully paid up* (*1/3 portion of the nominal value of above debenture is payable in next twelve months and hence shown as current maturities of long term debts under the head Other current liabilities)	6666.67	10000.00
Term Loans From Banks	30.88	61.12
Term Loans From Others	-	9600.00
	<u>6697.55</u>	<u>19661.12</u>
(ii) Unsecured		
Loans from related party	-	450.00
	-	450.00
	<u>6697.55</u>	<u>20111.12</u>

Nature of Security and Terms of Repayment -

A Non Convertible Debentures

These debentures are redeemable at a premium of 8% per annum in three equal installments after a period of 36 months, 42 months and 48 months from the date of allotment. The first installment for redemption of debentures will fall due on 1st March, 2014. Particulars of redemption & interest of Non Convertible Debentures is as under-

	2014-15	Rate of Interest
Redemption Amount (Rs. /Lacs)	6666.67	12%

These debentures together with interest, redemption premium etc. are secured as under:-

- a. a first charge over the immovable property of Rs. 6.00 lacs in Gujarat;
- b. Second charge on Company's immovable properties located at 263C, Arossim, Cansaulim, Goa, both present and future and the charges of the Debenture holders shall be subject/subsequent to the prior following existing charges:
 - (i) First charge on all the company's immovable properties, both present and future, on which term loan and corporate loan lenders have their charge for the principal amounts and interest thereon or any other charges due to the bank in the ordinary course of business.
 - (ii) Second charge on all the company's immovable properties, both present and future, on which lenders of working capital limits have their charge for principal amounts and interest thereon or any other charges due to the bank in the ordinary course of business.
- c. A pledge of 26% percent equity shareholding in the company as held by its promoters and affiliates in favour of Debenture Trustees, which is currently held by term loan lender, after securing release of the same within a period of 90 days from the date of receipt of full subscription. Pledge of shares is still pending.
- d. Pending creation of the security envisaged in (c) above, 10,00,00,000 number of equity shares of Silver Resort Hotel India Private Limited held by the company are pledged with the Debenture Trustees as interim Security. This Interim Security shall be released once the security as envisaged in clause (c) above has been created in favour of the Debentures Trustees.
- e. Debenture Redemption Reserve for the year has not been created because of unavailability of surplus.

B Term Loans from Banks

Term loans from banks represents vehicle loans, repayable on monthly basis, are secured by way of hypothecation of specific assets purchased under the hire purchase scheme.

Year of Repayment	2014-15	2015-16	Total
Annual Repayment Amount (Rs./ Lacs)	23.23	7.65	30.88
Annual Rate of Interest	10 -12.50%	10 -12.50%	

C Term loan from others

- (i) Term loan from others represents long term loan taken from a financial institution repayable on quarterly basis, along with all interest, liquidated damages, premia on prepayment or on redemption, costs, expenses and other monies etc are secured by first mortgage on hotel property of the company at Goa and further secured by personal guarantee of the executive directors.
- (ii) Due to tough economic condition and general slow down the company has not been able to make payment of interest and principal to the financial institution. As a result thereof the financial institution has recalled the entire loan and initiated the recovery proceedings under section 13(2) of Chapter III of "The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002(SRFAESI Act,2002) vide notice dated 26.03.2013. The loan amount and interest amounting to Rs.13609.82 lacs is appearing as "Loan recalled" under the head Other Current Liabilities in Note No. 9 of Financial Statements. However, the company has made a request to the term lender to re-schedule/ settle the loan and matter is being actively pursued.

(Rs. in Lacs)

	As at 31.03.2013	As at 31.03.2012
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D Unsecured Loans

During the year, the company has repaid the entire loan taken from a related party.

E Detail of continuing default in repayment of installments of long term borrowings and interest in respect thereof is as under -

Particulars	Amount (in lacs.)	Period of default
Term Loans from others - Principal	600.00	1-2 year
Term Loans from others - Principal	12300.00	0-1 year
Interest on Term Loan form others	709.82	1-3 months
Debenture - Interest	427.23	1-2 year
Debenture - Interest	1186.43	0-1 year

5. OTHER LONG TERM LIABILITIES

Earnest Money received from business associates & Others	50.00	53.95
Sundry Creditors for Capital Expenses	48.66	48.66
Premium on redemption of Debentures	2000.00	2800.00
	<u>2098.66</u>	<u>2902.61</u>

6. LONG TERM PROVISIONS

Provision for employees' benefits -		
- Gratuity (unfunded)	78.43	67.87
- Leave Encashment (Unfunded)	50.15	36.24
	<u>128.58</u>	<u>104.11</u>

7. SHORT TERM BORROWINGS

Secured Loan

Working capital loans from banks	930.82	842.00
	<u>930.82</u>	<u>842.00</u>

Working Capital loans from banks are secured by way of hypothecation of raw materials, semi-finished goods, finished goods, stores, book debts and other current assets of the company in addition to second pari-passu charge over the entire fixed assets of the company present and future with other term lenders.

8. TRADE PAYABLES

Trade Creditors	615.32	315.17
	<u>615.32</u>	<u>315.17</u>

Based on the information available with the Company, a sum of Rs. Nil (Previous Year Nil) is payable to Micro & Small Enterprises as defined under the MSMED Act, 2006. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

(Rs. in Lacs)		
	As at 31.03.2013	As at 31.03.2012
9. <u>OTHER CURRENT LIABILITIES</u>		
Current maturities of long-term debts	3363.57	3334.06
Loan recalled (including interest) (Refer Note No. 4C(ii))	13609.82	-
Interest accrued and due on borrowings	1613.66	576.93
Interest accrued but not due on borrowings	506.53	396.06
Premium on redemption of Debentures	800.00	-
Advance received from customers	223.99	191.71
Advance for projects	-	831.66
Other expense payable	473.43	460.77
<u>Other payables -</u>		
- Tax deducted at source (TDS)	299.54	160.40
- Indirect Taxes	95.78	0.26
<u>Employee benefits payable -</u>		
- Salaries & benefits	217.02	197.09
- Provident fund / ESI	15.03	14.82
- Bonus & incentives	41.07	50.26
	<u>21259.45</u>	<u>6214.01</u>
10. <u>SHORT TERM PROVISIONS</u>		
Provision for Income Tax	120.73	-
<u>Provision for Employees' benefits :</u>		
- Gratuity (unfunded)	13.34	12.70
- Leave Encashment (Unfunded)	11.11	8.67
	<u>145.18</u>	<u>21.37</u>

11. FIXED ASSETS
TANGIBLE ASSETS

(Rs in lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION			CARRYING VALUE	
	As at	Additions	Deductions	As at	For the	Deductions	As at	As at
	01.04.2012			31.03.2013	year		31.03.2013	31.03.2012
Land and Site development								
- Land	1696.97	-	-	1696.97	-	-	1696.97	1696.97
- Site Development	326.83	-	-	326.83	-	-	326.83	326.83
Buildings								
- Hotel	15817.75	-	-	15817.75	257.83	-	2408.79	13666.79
- Others	20.42	-	-	20.42	0.33	-	5.82	14.93
Plant and Equipment	4088.66	43.26	-	4131.92	369.95	-	3353.40	1105.21
Electrical Installations	765.18	15.24	-	780.42	36.69	-	317.29	484.58
Furnitures & Fixtures - Hotel	1553.74	11.21	-	1564.95	147.71	-	1069.55	631.90
Furnitures & Fixtures - Others	106.11	0.36	-	106.47	6.73	-	80.85	31.99
Vehicles	407.41	-	4.48	402.93	38.39	2.87	170.11	232.82
Office Equipments	52.97	1.72	-	54.69	3.77	-	44.40	12.34
Operating Equipment	243.92	55.68	-	299.60	25.13	-	165.99	103.06
Computers	42.41	29.60	-	72.01	8.65	-	16.34	34.72
Total	25122.37	157.06	4.48	25274.95	895.18	2.87	7632.54	18382.14
Previous Year	25148.23	316.19	342.05	25122.37	896.60	272.71	6740.23	18382.14

INTANGIBLE ASSETS

Computer Software	63.48	12.02	-	75.50	22.90	-	47.98	38.40
Previous Year	25.31	38.17	-	63.48	14.86	-	25.08	38.40

CAPITAL WORK-IN-PROGRESS

CWIP	13.82	375.89	-	389.71	-	-	-	13.82
Previous Year	13.82	-	-	13.82	-	-	-	-

	As at 31.03.2013	As at 31.03.2012
(Rs. in Lacs)		
12. NON-CURRENT INVESTMENTS		
A. Trade Investments	-	-
B. Other Investments (At Cost) -		
(a) Quoted		
1250 (P.Y.1250) Equity Shares of Rs. 10/- each fully paid-up of ICICI Limited	1.22	1.22
(Market value of quoted investment is Rs. 13.07 lacs (P.Y. Rs.11.13 lacs))		
Aggregate amount of quoted investment	<u>1.22</u>	<u>1.22</u>
(b) Unquoted		
<u>Subsidiary Companies</u>		
(i) 50000 (P.Y. 50000) Equity Shares of Rs.10/- each fully paid up of Blue Coast Hospitality Ltd	5.00	5.00
(ii) 50000 (P.Y. 50000) Equity Shares of Rs.10/- each fully paid up of Golden Joy Hotel Pvt. Ltd.	5.00	5.00
(iii) 188510000 (P.Y. 188510000) Equity Shares of Rs.10/- each fully paid up of Silver Resorts Hotel India Private Limited	18851.00	18851.00
<u>Associate Companies</u>		
15600 (P.Y.15600) Equity Shares of Rs.10/- each fully paid up of Joy Hotel & Resorts Pvt. Ltd.	4275.00	4275.00
<u>Others</u>		
4020 (P.Y. 4020) Equity Shares of Rs.50/- each fully paid up of Domvibli Nagari Sehkari Bank Ltd.	2.01	2.01
Aggregate amount of unquoted investment	<u>23138.01</u>	<u>23138.01</u>
	<u>23139.23</u>	<u>23139.23</u>
(i) Provision for fall in carrying value of investments in respect of losses in the subsidiaries & the associate Company has not been made, as these losses, in management's perception, are temporary in nature. These companies has not started commercial operation till the balance sheet date.		
(ii) Out of 18,85,10,000 equity share of Rs. 10/- each fully paid up of a subsidiary company Silver Resort Hotel India (P) Limited , 10,00,00,000 equity share of Rs. 10/- each are pledged with debenture holders as interim security. The rest 8,85,10,000 equity shares are pledged with Term Lenders.		
(iii) All 15,600 equity share of Rs. 10/- each fully paid up of associate company Joy Hotel & Resorts (P) Limited are pledged with term lenders of the associate company for securing the term loans, interest on loans and all other related moneys payable as availed by the associate company for its upcoming five star hotel project at Chandigarh.		

(Rs. in Lacs)

	As at 31.03.2013	As at 31.03.2012
13. <u>LONG TERM LOANS AND ADVANCES</u>		
(Unsecured, considered good)		
Other Advances	-	40.00
Security Deposits	53.63	48.17
Loans & Advances to subsidiaries		
- Blue Coast Hospitality Limited (Maximum balance outstanding during the year- Rs. 206.34 lacs)	206.34	206.34
- Golden Joy Hotel Pvt. Limited (Maximum balance outstanding during the year- Rs. 257.62 lacs)	257.63	234.43
	<u>517.60</u>	<u>528.94</u>
14. <u>OTHER NON-CURRENT ASSETS</u>		
Unamortised amount of premium on redemption of debentures*	247.01	1,047.01
	<u>247.01</u>	<u>1,047.01</u>
Other non-current assets represents unamortised amount of premium on redemption of debentures to be charged to revenue beyond 12 months from the date of balance sheet.		
15. <u>INVENTORIES</u>		
(At cost or Net Realisable Value whichever is lower)		
Stores and Operating supplies	1430.65	1364.19
Provisions & Beverages	105.05	41.06
Wine & Liquor	77.06	61.88
	<u>1612.76</u>	<u>1467.13</u>
The inventory of store & operating supplies, provisions & beverages & wine and liquor has been taken, valued and certified by the management.		
16. <u>TRADE RECEIVABLES</u>		
Trade receivables outstanding for a period exceeding six months		
Unsecured -		
Considered good	0.44	7.99
Considered doubtful	5.93	12.63
Less : Allowance for doubtful debt	(5.93)	(12.63)
	<u>0.44</u>	<u>7.99</u>
Other Debts		
Unsecured -		
Considered good	487.91	521.20
	<u>488.35</u>	<u>529.19</u>

		(Rs. in Lacs)	
		As at 31.03.2013	As at 31.03.2012
17	<u>CASH AND CASH EQUIVALENTS</u>		
	Balances with banks		
	i) Current Accounts	134.46	239.80
	ii) Bank Balances held as -		
	- Fixed Deposit against Margin money	140.72	140.72
	Cash on hand	13.08	42.29
		<u>288.26</u>	<u>422.81</u>
18	<u>SHORT TERM LOANS AND ADVANCES</u>		
	(Unsecured, considered good)		
	Advance Income Tax - Tax Deducted at source	729.42	683.66
	Advances with Suppliers & Others	217.15	15.82
	Loans & advances to employees	6.70	3.79
		<u>953.27</u>	<u>703.28</u>
19	<u>OTHER CURRENT ASSETS</u>		
	Prepaid Expenses	176.23	110.37
	Interest on fixed deposits accrued but not due	41.33	29.45
	Commission receivables	7.54	4.18
	Unamortised amount of premium on redemption of debentures*	800.00	800.00
	Others**	1220.14	18.90
		<u>2245.24</u>	<u>962.89</u>
	*Unamortised amount of premium on redemption of debentures represents amount of premium on redemption of debentures to be charged to revenue within 12 months from the date of balance sheet.		
	**Others includes Rs. 214.25 lacs paid to lender of the company towards assured return towards buy back of equity share capital of subsidiary company setting up hotel project in Delhi. (Refer Foot Note No (i) of 20 of Notes on Financial Statements)		
20	<u>CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)</u>		
	a) Contingent Liabilities		
	Guarantees		
	For subsidiary company	500.00	500.00
	For securing loans of upcoming hotel project at Chandigarh related to associate company	6500.00	6500.00
	For operation of the company	49.27	49.27

(Rs. in Lacs)

	As at 31.03.2013	As at 31.03.2012
Dividend on cumulative preference shares	4657.94	4202.94
- 10% cumulative redeemable preference shares (11 years dividend)		
- 1% cumulative redeemable preference shares (9 years dividend)		
	<u>11707.21</u>	<u>11252.21</u>
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account	436.40	-
	<u>436.40</u>	<u>-</u>
c) Other money for which company is contingently liable		
Obligation to buy back equity share capital with return on investment of subsidiary company Silver Resort Hotel India (P) Limited	16199.93	-
	<u>16199.93</u>	<u>-</u>
	<u>28343.54</u>	<u>11252.21</u>
(i) The financial institution from which the company has taken term loan has also invested in the equity share capital of the subsidiary of the company Silver Resort Hotel India (P) Limited (setting up a five star hotel project near International Airport, Delhi) to the tune of Rs. 8500.00 lacs. The company is party to the Share Buy Back Agreement along with promoters of the company. The buy back amount along with return on investment are secured by way of equitable mortgage on first charge basis on "Park Hyatt Goa Resort & Spa" Hotel property of the company situated at 263C, Arrossim, Consaulim, Goa and additionally guaranteed by the executive directors of the company and the company. Exercising the above right, during the year, the institution has called upon the company to honour buy back obligation in respect of Rs. 2800.00 lacs of equity and return on investment and has thus raised demand of Rs. 5118.60 lacs. Balance buy back obligations with return on investment for Rs. 2800.00 lacs and Rs. 2900 lacs will fall due in the financial years 2013-14 & 2014-15 respectively.		
(ii) The company has taken opinion from expert that Corporate guarantee of Rs. 6500.00 lacs given for securing loans of upcoming hotel project at Chandigarh related to associate company does not require approval from Central Govt.		
21 REVENUE FROM OPERATIONS		
ROOMS, FOOD, BEVERAGES AND OTHER SERVICES		
Room Income	6313.53	6503.77
Provisions & Beverages	1815.48	1909.76
Wine and liquor	992.68	1026.08
Communications	29.03	85.50
Others	597.29	594.00
	<u>9748.01</u>	<u>10119.11</u>
22 OTHER INCOME		
Interest Income	9.01	14.06
Dividend received on non-trade investments	0.51	0.30
Excess provision no longer required written back	3.95	3.59
Miscellaneous Income	86.20	78.48
	<u>99.67</u>	<u>96.43</u>

		(Rs. in Lacs)	
		As at 31.03.2013	As at 31.03.2012
23	<u>COST OF MATERIALS, STORES & SUPPLIES</u>		
(a)	Stores & Operating supplies		
	Opening Stock	1364.19	1426.89
	Add : Purchases	<u>791.91</u>	<u>894.60</u>
		2156.10	2321.49
	Less: Closing Stock	<u>1430.65</u>	<u>1364.19</u>
		725.45	957.30
(b)	Provisions & Beverages		
	Opening Stock	41.06	23.00
	Add : Purchases	<u>775.01</u>	<u>699.40</u>
		816.07	722.40
	Less: Closing Stock	<u>105.05</u>	<u>41.06</u>
		711.02	681.34
c)	Wine & Liquor		
	Opening Stock	61.88	58.67
	Add : Purchases	<u>70.27</u>	<u>55.93</u>
		132.15	114.60
	Less: Closing Stock	<u>77.06</u>	<u>61.88</u>
		55.09	52.72
	Total (a+b+c)	<u>1491.56</u>	<u>1691.36</u>
24	<u>EMPLOYEE BENEFITS EXPENSE</u>		
	Salaries and Wages	1457.94	1359.48
	Gratuity & Leave Encashment	55.28	35.59
	Contribution to provident and other funds	117.03	113.76
	Staff Welfare	<u>232.51</u>	<u>204.31</u>
		1862.76	1713.14
25	<u>FINANCE COST</u>		
	<u>Finance Cost on operations</u>		
	Interest	1083.37	987.99
	Bank charges	11.64	4.06
	<u>Finance Cost on Investments*</u>		
	Interest	2826.60	2473.70
	Premium on redemption of debentures	<u>800.00</u>	<u>800.00</u>
		4721.61	4265.75

*Finance cost on Investments is incurred on loans/ debentures taken for investments in subsidiary company Silver Resort Hotel India (P) Limited setting up a five star hotel at Delhi. The investment in shares in Silver Resort Hotel India (P) Limited and other subsidiaries are made solely with the motive to acquire and retain controlling stake, in furtherance of its business interest in hotel business.

(Rs. in Lacs)

	As at 31.03.2013	As at 31.03.2012
26		
<u>OTHER EXPENSES</u>		
Telephone	24.19	33.84
Power & Fuel	535.92	485.73
Rent	53.31	51.28
Repairs to buildings	59.70	47.97
Repairs to machinery	325.77	204.22
Insurance	48.44	46.66
Rates and Taxes	5.98	17.52
Legal and Professional Expenses	169.57	334.40
Travelling Expenses	78.57	100.77
Selling and Advertisement Expenses	767.78	758.04
Management fees	667.44	731.73
Printing & Stationery	49.62	47.08
Allowance for bad & doubtful Debts	2.71	1.00
Loss on sale of Fixed Assets	0.37	65.92
Miscellaneous Expenses	521.51	584.45
	<u>3310.88</u>	<u>3510.61</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2013

27 Extraordinary items (net of taxes) of Rs. 1033.10 lacs represents surplus on transfer of a bid rights of acquisition of hotels in United Kindom to a company in which director and relative of directors are interested as directors.

28 PAYMENT TO AUDITORS**Statutory Auditors -****(Rs./Lacs)**

Year Ended	31.03.2013	31.03.2012
Audit Fee	13.60	13.60
Tax Audit Fee	2.80	2.80
Tax Matters	3.70	3.20
Certification	0.74	0.43
Service Tax	2.58	2.44
Total	23.42	22.47

29 PRIOR PERIOD ITEMS

Expenses include Rs. 24.52 lacs (Previous Year Rs. 0.97 lacs) as expenses (net) relating to earlier years.

30 EMPLOYEE BENEFITS

Disclosures as per Accounting Standard, AS-15 (Revised) "Employee Benefits" is as under:-

(A) Disclosure for Defined Contribution Plans**(Rs. In lacs)**

Particulars	31.03.2013	31.03.2012
Employer's contribution to Provident Fund	81.06	77.78
Employer's contribution to Employees State Insurance	35.97	35.98

(B) Disclosure for Defined Benefits Plans**(Rs. In lacs)**

i. Particulars	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Change in the present value of obligation :				
Present Value of Obligation as at the beginning of the year	80.58	76.98	44.91	37.20
Add : Interest Cost	6.85	6.16	3.82	2.98
Add : Current Service Cost	22.41	17.61	26.87	18.88
Less : Benefit paid	(17.63)	(9.96)	(10.11)	(14.33)
Add : Actuarial gain/(loss) on obligations	(0.43)	(10.21)	(4.23)	0.18
Present Value of Obligation as at the close of the year	91.77	80.58	61.26	44.91
ii. Particulars	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
Change in the fair value of Plan Assets :	31.03.2013	31.03.2012	31.03.2013	31.03.2012
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	-	-	-	-

iii. Particulars	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Expense recognized in the Statement of Profit and Loss				
Current Service Cost	22.41	17.61	26.87	18.88
Add: Interest Cost	6.85	6.16	3.82	2.98
Less: Expected Return on Plan Assets	-	-	-	-
Less: Settlement Credit	-	-	-	-
Add: Net actuarial gain/(loss) recognized	(0.43)	(10.21)	(4.23)	0.18
Total expenses recognized in Statement of Profit & Loss	28.83	13.56	26.46	22.04

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)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Discount Rate	8.00%	8.50%	8.00%	8.50%
Rate of Increase in Compensation Levels	10.00%	10.00%	10.00%	10.00%
Rate of Return on Plan Assets		-		-
Expected average remaining working lives of employees (years)	29.66	29.41	29.29	29.08

31 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.

32 Deferred Tax Liability/(Assets):-

As required by Accounting Standard - 22 "Accounting for taxes on income" issued by Institute of Chartered Accountants of India, deferred tax asset on losses for the year has been created to the extent opening balance of deferred tax liability appearing in the books. The major components of deferred tax liability/(assets) are given below -

	Deferred Tax liability/ (assets) as at 01.04.2012	Current year change	Deferred tax liability/ (assets) as at 31.03.2013
Depreciation -Timing difference	2393.88	45.48	2439.36
Retirement benefit to employees	(42.48)	(48.11)	(90.59)
Unabsorbed depreciation/ losses	<u>(1411.95)</u>	<u>(794.61)</u>	<u>(2206.56)</u>
Deferred tax liability/(Assets) on ordinary items	939.46	(797.24)	142.22
Deffered tax on extraordinary items	<u>111.58</u>	<u>496.17</u>	<u>607.75</u>
Net Deferred tax liability/(Assets)	1051.04	(301.07)	749.97

33 EARNING PER SHARE:

	31.03.2013	31.03.2012
Profit/(Loss) for the year (Rs.in lacs)	(747.60)	(1,034.82)
Less : Preference Share Dividend	455.00	455.00
Profit/(Loss) available for equity share holders (Rs. In lacs)	(1,202.60)	(1,489.83)
Add: Dividend on cumulative preference shares (Refer Note no. C (iv) of 2) (Convertible)	40.00	40.00
Adjusted Profit/(Loss) available for equity share holders (Rs.in lacs)	(1,162.60)	(1,449.83)
Weighted average number of equity shares outstanding for Basic earning per share	8864962	8864962
Effect of dilutive equity shares on account of conversion of preference shares	10000000	10000000
Weighted average number of equity shares outstanding for Diluted Earning per share	18864962	18864962
Basic earnings per share in rupees (face value - Rs.10 per share)	(13.57)	(16.81)
Diluted earnings per share in rupees (face value - Rs.10 per share) Potential equity shares in current year considered to be anti-dilutive in nature, hence 10000000 equity share being conversion of preference shares have not been adjusted to arrive at the diluted earning per share	(13.57)	(16.81)

34 In the opinion of management, there is no impairment condition exists as on 31st March, 2013. Hence no provision is required in the accounts for the current period ending.

35 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 Silver Resort Hotel India Pvt. Limited
ii.	Associate Company	Joy Hotel and Resorts Private Limited
iii.	Key Mngement Personnel	Mr. P.L. Suri, Chairman & Managing Director Mrs. Sunita Suri, Executive Director
iv.	Entities over which management personnel/ relatives of key management personnel are able to exercise significant influence with which the company has transactions during the year	Blue Coast Infrastructure Development (P) Ltd.

b.	Transaction with Related parties	Nature of transaction	Amount (Rs /lacs)
i.	Subsidiary Companies	Loans given Closing balance as on 31.03.2013 (Payable)/ Recoverable Maximum balance outstanding during the year	23.20 463.96 463.96
ii.	Associate Company	Nil	-
iii.	Key Management Personnel	Remuneration/ Perquisites Closing balance as on 31.03.2013 (Payable)/ Recoverable Maximum balance outstanding during the year	36.00 (133.07) (133.07)
iv.	Entities over which management personnel/ relatives of key management personnel are able to exercise significant influence	Surplus on transfer of hotels bid situated in U.K. Closing balance as on 31.03.2013 (Payable)/ Recoverable Maximum balance outstanding during the year	1529.27 1198.03 1198.03

36. Foreign Exchange Earnings (Rs. In lacs)

Particulars	31.03.2013	31.03.2012
Earning in Foreign Exchange	4073.92	4224.53

Expenditure in Foreign Currency

Particulars	31.03.2013	31.03.2012
Capital Goods	309.41	33.24
Others	921.27	1050.28

37 OTHERS SIGNIFICANT DISCLOSURES

- In the opinion of directors, all other assets other than fixed assets and non-current investments, except stated otherwise, have a value on realisation 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.
- Balances with banks & parties appearing under various heads are subject to confirmation.
- No provision for current Income tax has been made in view of loss during the year.
- Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout.
- Figures have been rounded off to the nearest lacs.

Independent Auditors' Report

To
**The Board of Directors of
 Blue Coast Hotels Limited**

We have audited the accompanying consolidated financial statements of Blue Coast Hotels Limited ("the company") and its subsidiaries (as per list appearing in Note 1(a) of Consolidated Financial Statements), collectively referred to as "Blue Coast Group", which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the companies in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

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

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

Matters of Emphasis

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

- i. Note no. 5(C)(ii) regarding recalling the entire loan and interest of Rs. 13609.82 lacs. by the financial institution under section 13(2) of Chapter III of "The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
- ii. Note no. 5(E) regarding continuous default by the company in payment of debenture interest to the tune of Rs. 1613.66 lacs.

- iii. Foot Note (i) of note 21 regarding contingent liability of Rs. 16199.93 lacs for obligations towards buy back of shares of the subsidiary company which is secured against the Goa hotel property of the company and default by the company in meeting its initial installment of buy back obligation.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and on the consideration of the separate audit reports of the financial statements of the parent company and its three subsidiaries and on the other financial information of the components the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the year ended on that date.

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

Date : 13.06.2013
Place: New Delhi

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

Consolidated Balance Sheet

As at 31st March, 2013

(Rs. in lacs)

	<u>Notes</u>	As at 31.03.2013	As at 31.03.2012
<u>EQUITY AND LIABILITIES</u>			
1. SHAREHOLDERS' FUNDS			
Share capital	2	9036.50	9036.50
Reserves and Surplus	3	<u>5843.54</u>	<u>6605.05</u>
		14880.04	15641.55
2. MINORITY INTEREST			
	4	8483.75	8489.48
3. NON - CURRENT LIABILITIES			
Long-term borrowings	5	6697.55	20111.12
Deferred tax liability (Net)	32	749.97	1051.04
Other Long term liabilities	6	2098.66	2902.61
Long-term provisions	7	<u>128.58</u>	<u>104.11</u>
		9674.77	24168.89
4. CURRENT LIABILITIES			
Short-term borrowings	8	930.82	842.00
Trade payables	9	617.07	316.43
Other current liabilities	10	32145.82	13680.03
Short-term provisions	11	<u>145.18</u>	<u>21.37</u>
		33838.90	14859.83
		66877.45	63159.74
<u>ASSETS</u>			
1. NON-CURRENT ASSETS			
<u>Fixed Assets</u>			
Tangible Assets	12	46769.46	47110.88
Intangible Assets		27.52	38.40
Capital work-in-progress		<u>9400.72</u>	<u>6044.52</u>
		56197.70	53193.80
Non-current Investments	13	4278.23	4278.23
Long-term loans and advances	14	498.83	500.66
Other non current assets	15	<u>247.01</u>	<u>1047.01</u>
		5024.07	5825.90
2. CURRENT ASSETS			
Inventories	16	1612.76	1467.13
Trade receivables	17	488.35	529.19
Cash and cash equivalents	18	294.69	430.98
Short-term loans and advances	19	1014.21	749.53
Other current assets	20	<u>2245.68</u>	<u>963.21</u>
		5655.68	4140.04
		66877.45	63159.74
SIGNIFICANT ACCOUNTING POLICIES			
	1		
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS			
	2-38		

Per our separate report of even date

For M.Kamal Mahajan And Co.

Chartered Accountants
Firm Regn. No. 006855N
(M K Mahajan)

Partner

Membership No. 017418

Place : New Delhi

Date : 13th June 2013

For & on behalf of the Board

(P. L. Suri)Chairman & Managing Director
DIN : 00256300**(Suresh Gupta)**

AVP (Fin.& Accts.) & CFO

(Prakash Chandra Prusty)

Company Secretary

(Sunita Suri)Executive Director
DIN : 00256236**(Ashoka Kini)**

Director

DIN : 00584044

Consolidated Statement of Profit and Loss

For the Year Ended 31st March, 2013

		(Rs. in lacs)	
		Year Ended 31.03.2013	Year Ended 31.03.2012
	Notes		
REVENUE			
Revenue from operations	22	9748.01	10119.11
Other Income	23	100.19	96.84
Total Revenue		<u>9848.21</u>	<u>10215.95</u>
EXPENSES			
Cost of materials, stores & supplies	24	1491.56	1691.36
Employee benefits expense	25	1862.76	1713.14
Finance Cost	26	4721.61	4265.75
Depreciation	12	918.47	911.70
Other expenses	27	3330.65	3529.26
Total expenses		<u>12325.05</u>	<u>12111.21</u>
Profit/(Loss) before exceptional and extraordinary items and tax		(2476.85)	(1895.26)
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		(2476.85)	(1895.26)
Extraordinary Items - Income (net of tax of Rs.496.17 lacs)	28	1033.10	232.32
Profit/(Loss) before tax		(1443.75)	(1662.94)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax	32	(797.24)	(608.92)
(3) Income Tax provision of earlier years		120.73	(0.71)
Profit/(Loss) after tax but before Minority Interest		(767.24)	(1053.31)
Share of Minority Interest in Profit/(Loss)		(5.73)	(5.36)
Profit/(Loss) for the year available for majority shareholders		(761.51)	(1047.95)
Earnings per equity share of Rs.10/- each:	33		
(1) Basic		(13.72)	(16.95)
(2) Diluted		(13.72)	(16.95)
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS	2-38		

Per our separate report of even date

For M.Kamal Mahajan And Co.
Chartered Accountants
Firm Regn. No. 006855N
(M K Mahajan)
Partner
Membership No. 017418
Place : New Delhi
Date : 13th June 2013

For & on behalf of the Board

(P. L. Suri)
Chairman & Managing Director
DIN : 00256300
(Suresh Gupta)
AVP (Fin.& Accts.) & CFO
(Prakash Chandra Prusty)
Company Secretary

(Sunita Suri)
Executive Director
DIN : 00256236
(Ashoka Kini)
Director
DIN : 00584044

Consolidated Cash Flow Statement

For the year ended 31st March, 2013

	Notes	Year Ended 31.03.2013	(Rs. in lacs) Year Ended 31.03.2012
A. CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Profit/(Loss) before Tax and extraordinary items		(2476.85)	(1895.26)
Adjustments for :			
Depreciation for the year	12	918.47	911.70
Loss on Sale of Fixed Assets	27	0.37	65.92
Allowance for bad & doubtful debts	27	2.71	1.00
Provision for employee benefits	7 & 11	148.28	11.30
Finance cost	26	4721.61	4265.75
Interest Received	23	(9.13)	(14.42)
		<u>5782.31</u>	<u>5241.25</u>
Operating profit before changes in current assets and liabilities		3305.46	3345.98
Changes in current assets and liabilities -			
Trade Receivables	17	38.14	(3.17)
Short term Loans & advances and other current assets	19 & 20	(1547.14)	(714.70)
Inventories	16	(145.63)	41.43
Current liabilities	8, 9 & 10	16198.23	272.41
Cash generated from operations		17849.06	2941.95
Income Tax (TDS)		120.73	(0.71)
Cash Flow before extraordinary items		17728.33	2942.67
Extraordinary items	28	1033.10	232.32
Deferred tax liability on extraordinary items		496.17	111.58
NET CASH GENERATED BY OPERATING ACTIVITIES		19257.60	3286.57
B. CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets including capital work in progress (net)	12	(3922.74)	(3868.96)
Long-term loans and advances	14	1.83	668.75
Others non current assets	15	800.00	(1047.01)
Interest Received	23	9.13	13.46
NET CASH USED IN INVESTING ACTIVITIES		(3111.78)	(4233.76)
C. CASH FLOWS FROM FINANCING ACTIVITIES:			
Finance cost (paid)	26	(2064.59)	(3736.24)
Proceeds from Long Term borrowings (Net)	5	(13413.57)	521.48
Proceeds from Long Term liabilities	6	(803.95)	(3.42)
NET CASH USED IN FINANCING ACTIVITIES		(16282.11)	(3218.18)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)		(136.29)	(4165.37)
Cash and Cash equivalents as at beginning of the year		430.98	4596.35
Cash and Cash equivalents as at end of the year		294.69	430.98
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS	2-38		

Per our separate report of even date

For & on behalf of the Board

For M.Kamal Mahajan And Co.

Chartered Accountants
Firm Regn. No. 006855N**(M K Mahajan)**

Partner

Membership No. 017418

Place : New Delhi

Date : 13th June 2013

(P. L. Suri)Chairman & Managing Director
DIN : 00256300**(Suresh Gupta)**

AVP (Fin.& Accts.) & CFO

(Prakash Chandra Prusty)

Company Secretary

(Sunita Suri)Executive Director
DIN : 00256236**(Ashoka Kini)**Director
DIN : 00584044

I. SIGNIFICANT ACCOUNTING POLICIES

a) Basis for preparation of accounts

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

The consolidated financial statements consist of financial statements of Blue Coast Hotels Limited (parent company) and its three subsidiaries namely Blue Coast Hospitality Limited, Golden Joy Hotel Private Limited and Silver Resort Hotel India Private Limited.

Investment in Associate Company has been accounted as per Accounting Standard 23 i.e. Accounting for Investment in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

The particulars of the subsidiary companies included in consolidation and parent company's holding therein are as under:-

Subsidiary Company	Country of Incorporation	Percentage of Holding (%)
Blue Coast Hospitality Ltd.	India	100
Golden Joy Hotel Private Ltd.	India	100
Silver Resort Hotel India Private Ltd.	India	68.92

b) Basis for preparation of accounts

These financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and comply with the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India, to the extent applicable.

c) Use of Estimates

The preparation of financial statement requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and the reported amount of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, useful life of depreciable fixed assets and provision for impairment.

d) Fixed Assets

- i) Fixed assets are recorded at cost of acquisition and stated at historical cost.
- ii) Expenditure incurred on projects during implementation including cost of borrowing is capitalized and shown as capital work-in-progress and is apportioned to various assets on commissioning/ completion of the same.

e) Depreciation

Depreciation on fixed assets is provided on straight line method in accordance with Section 205(2)(b) of the Companies Act, 1956 at the rates which are not lower than the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions/deletions during the year has been provided for on pro-rata basis. Assets purchased/installed during the year costing less than Rs. 5,000/- each are fully depreciated in the year of purchase/installation.

f) Investments

Investments are stated at cost of acquisition. Provision is made, where, there is a permanent fall in the value of investment.

g) Revenue recognition

(I) Revenue is recognized when there is reasonable certainty of its ultimate realization/ collection. Dividend income is accounted for when the right to receive the same is established.

(II) Revenue from sale of leasehold rights of commercial area in the hotel project is recognized on "Percentage of Completion Method" of accounting. Revenue comprises the aggregate amounts of sale price in terms of the agreements entered into and is recognized on the basis of percentage of actual costs incurred thereon, including proportionate land cost and total estimated cost related to commercial area in the hotel project under execution, subject to such actual costs being 40% or more of the total estimated cost of commercial area. Total costs of commercial area in the hotel project is the proportion of total costs on the whole hotel project as the ratio of area of commercial area is to the entire built-up area in the hotel project.

Where aggregate of the payment received provide insufficient evidence of buyers commitment to make the complete payment, revenue is recognized only to the extent of realization.

The estimates of the saleable areas and costs are reviewed periodically by the management and any effect of changes in estimates is recognized in the period such changes are determined. However, when the total cost on commercial area is estimated to exceed total revenues from the commercial area, the loss is recognized immediately.

As uncertainties involved, interest on delayed payment is accounted for on realization.

h) Share Issue Expenses

Share issue expenses including advertisement, printing & stationery and communication expenses are written off against securities premium account.

i) Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date and the resultant net gains or losses are recognized as incomes or expenses in the year in which they arise.

j) Inventory

Inventory of provisions & beverages, wine and liquor, store and operating supplies have been valued at cost on first-in-first-out basis or net realizable value whichever is less.

k) Impairment of assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable amount of an asset which is identified as impaired is estimated and impairment loss is recognized.

l) Provision

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

m) Taxation

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences,

being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

n) **Earning per Share**

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to 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 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 of the beginning of the period, unless they have been issued at a later date.

o) **Employee Retirement benefits**

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 recognized in the statement of profit and loss in the period in which the employee renders the related service.

Defined benefit plans

Defined benefit plans of the company consists of gratuity and leave encashment.

–Gratuity

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

–Leaves Encashment

As per the company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods either to be utilized during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. The value of benefits is determined based on the seniority and the employee's salary.

The liability in respect of defined benefits plans is accrued in the books of accounts on the basis of actuarial valuation carried out by an independent actuary.

Defined contribution plans

Defined contribution plans of the company consist of Provident fund and Employees State Insurance.

–Provident Fund & Employees State Insurance (ESI)

The company makes specified monthly contribution towards the employees' provident fund & ESI for the eligible employees.

The contribution made to provident fund and ESI are charged to statement of profit and loss as and when these become payable.

Notes on Consolidated Financial Statements

For The Year Ended 31st March 2013

		(Rs in lacs)	
		As at	As at
		31.03.2013	31.03.2012
2 A. SHARE CAPITAL			
<u>Authorised</u>			
26500000 (Previous Year 26500000) Equity Shares of Rs.10/- each		2650.00	2650.00
8150000 (Previous Year 8150000) Preference shares of Rs. 100/- each		8150.00	8150.00
<u>Issued, Subscribed & Paid up</u>			
(i) <u>Equity Share Capital</u>			
8864962 (Previous Year 8864962) Equity Shares of Rs. 10/- each fully paid up		886.50	886.50
(ii) <u>Preference Share capital</u>			
4150000 (Previous Year 4150000), 10% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up		4150.00	4150.00
4000000 (Previous Year 4000000), 1% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up		4000.00	4000.00
		8150.00	8150.00
		9036.50	9036.50

B Reconciliation of the numbers and amount of Equity Shares :

	31.03.2013		31.03.2012	
	Nos.	Amount (Rs./Lacs)	Nos.	Amount (Rs./Lacs)
Outstanding at beginning of the year	8864962	886.50	8864962	886.50
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Outstanding at the end of year	8864962	886.50	8864962	886.50

Reconciliation of the numbers and amount of 10% Cumulative Redeemable Preference Shares :

	31.03.2013		31.03.2012	
	Nos.	Amount (Rs./Lacs)	Nos.	Amount (Rs./Lacs)
Outstanding at beginning of the year	4150000	4150.00	4150000	4150.00
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Outstanding at the end of year	4150000	4150.00	4150000	4150.00

Reconciliation of the numbers and amount of 1% Cumulative Redeemable Preference Shares :

	31.03.2013		31.03.2012	
	Nos.	Amount (Rs./Lacs)	Nos.	Amount (Rs./Lacs)
Outstanding at beginning of the year	4000000	4000.00	4000000	4000.00
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Outstanding at the end of year	4000000	4000.00	4000000	4000.00

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. The equity shares are having a par value of Rs. 10/- each whereas par value for each preference shares is Rs. 100/- . Each holder of equity shares is entitled to one vote per share, whereas preference share holders are participating preference shares and entitled to vote on every resolution placed before the company which directly affects the rights attached to their shares.
 - 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.
 - iii) 41,50,000 10% cumulative preference shares are redeemable at par in the year 2017-18 and 40,00,000 1% cumulative preference shares are redeemable at par in the year 2019-20. All these shares are subject to put and call option exercisable at the end of 3rd, 6th, 9th and 12th year of allotment. Dividend arrears on above cumulative preference shares as at 31.03.2013 are Rs. 4657.94 Lacs (Previous year Rs. 4202.94 Lacs)
 - iv) In accordance with shareholders approval in Annual General Meeting held on 30th September 2009, the Company is in the process of conversion of 40,00,000 , 1% Cumulative redeemable preference share of Rs. 100/- each into equity share of Rs. 10/- each in accordance with the applicable guidelines, rules and regulations.
 - v) Capital Redemption Reserve for redemption of Preference Shares could not be created during the year because of unavailability of surplus.
- D.** The company itself being ultimate holding company, therefore disclosure requirements about its parent company are not applicable in the present case.
- E. Shareholders holding more than 5% shares -**

i) Equity Shares

Name of Shareholder	As at 31-03-2013		As at 31-03-2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ferry Holdings Limited	1162162	13.11	1162162	13.11
Jetty Capital Limited	1150000	12.97	1150000	12.97
Northern Projects Limited*	660000	7.45	660000	7.45

*The ownership in equity shares held by Northern Projects Limited is in dispute with the original owner of these shares & the matter is pending in the court. The court has restrained the present owner of these shares from transferring, alienating, encumbering or otherwise dealing with or parting with the possession of the shares held by it.

ii) Preference Shares

a) 41,50,000, 10% Cumulative Redeemable Shares -

Name of Shareholder	As at 31-03-2013		As at 31-03-2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Brook Investment & Financial Services Pvt. Ltd.	350000	8.43	350000	8.43
Concept Credit & Consultants Pvt. Ltd.	350000	8.43	350000	8.43
Epitom Holdings Pvt. Ltd.	400000	9.64	400000	9.64
Liquid Holdings Pvt. Ltd.	400470	9.65	400470	9.65
Mid-Med Financial Services Pvt. Ltd.	399600	9.63	399600	9.63
React Investment & Financial Services Pvt. Ltd.	400000	9.64	400000	9.64
Scope Credit & Financial Services Pvt. Ltd.	400000	9.64	400000	9.64
Solace Investment & Financial Services Pvt. Ltd.	350000	8.43	350000	8.43
Solitary Investment & Financial Services Pvt. Ltd.	350000	8.43	350000	8.43
Square Investment & Financial Services Pvt. Ltd.	400000	9.64	400000	9.64
Seed Securities & Services Pvt. Ltd.	349930	8.43	349930	8.43

b) 40,00,000, 1% Cumulative Redeemable Shares -

Name of Shareholder	As at 31-03-2013		As at 31-03-2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Epitom Holdings Pvt. Ltd.	285000	7.13	285000	7.13
Liquid Holdings Pvt. Ltd.	287590	7.19	287590	7.19
Mid-Med Financial Services Pvt. Ltd.	285400	7.14	285400	7.14
React Investment & Financial Services Pvt. Ltd.	285000	7.13	285000	7.13
Scope Credit & Financial Services Pvt. Ltd.	285000	7.13	285000	7.13
Solace Investment & Financial Services Pvt. Ltd.	830691	20.77	830691	20.77
Solitary Investment & Financial Services Pvt. Ltd.	335000	8.37	335000	8.37
Square Investment & Financial Services Pvt. Ltd.	285000	7.13	285000	7.13
Seed Securities & Services Pvt. Ltd.	335070	8.38	335070	8.38
Mrs. Sunita Suri	345000	8.63	345000	8.63
Mrs. Mamta Suri	250000	6.25	250000	6.25

F. During last 5 years immediately preceding the balance sheet date, no Equity Share or Preference share has been issued pursuant to any contract without payment being received in cash. Further the company has neither allotted any share by way of bonus shares, nor it had bought back any Equity or Preference Share during aforesaid period of 5 years.

- G. There is no call unpaid as on 31.03.2013
H. No shares have been forfeited by the company during the year.

	As at 31.03.2013	As at 31.03.2012
(Rs. in lacs)		
3. <u>RESERVES & SURPLUS</u>		
General Reserve	1926.68	1926.68
Securities Premium Reserve	4668.15	4668.15
Surplus/(Deficit) -		
Opening balance	10.22	1058.17
Profit/(Loss) for the year	(761.51)	(1047.95)
Closing balance	<u>(751.29)</u>	<u>10.22</u>
	<u>5843.54</u>	<u>6605.05</u>
4. <u>MINORITY INTEREST</u>		
Share capital	8500.00	8500.00
Share in profit/(loss)	(16.25)	(10.52)
	<u>8483.75</u>	<u>8489.48</u>
5. <u>LONG TERM BORROWINGS</u>		
(i) <u>Secured</u>		
10000,12% Redeemable Non Convertible Debentures of Rs. 100000/- each fully paid up*	6666.67	10000.00
(*1/3 portion of the nominal value of above debenture is payable in next twelve months and hence shown as current maturities of long term debts under the head Other current liabilities)		
Term Loans From Banks	30.88	61.12
Term Loans From Others	-	9600.00
	<u>6697.55</u>	<u>19661.12</u>
(ii) <u>Unsecured</u>		
Loans from related party	-	450.00
	-	450.00
	<u>6697.55</u>	<u>20111.12</u>

Nature of Security and Terms of Repayment -

A. Non Convertible Debentures

These debentures are redeemable at a premium of 8% per annum in three equal installments after a period of 36 months, 42 months and 48 months from the date of allotment. The first installment for redemption of debentures will fall due on 1st March, 2014. Particulars of redemption & interest of Non Convertible Debentures is as under-

	2014-15	Rate of interest
Redemption Amount (Rs. /Lacs)	6666.67	12%

These debentures together with interest, redemption premium etc. are secured as under:-

- a A first charge over the immovable property of Rs. 6.00 lacs in Gujarat;
- b Second charge on Company's immovable properties located at 263C, Arossim, Cansaulim, Goa, both present and future and the charges of the Debenture holders shall be subject/ subsequent to the prior following existing charges:
 - (i) First charge on all the company's immovable properties, both present and future, on which term loan and corporate loan lenders have their charge for the principal amounts and interest thereon or any other charges due to the bank in the ordinary course of business.
 - (ii) Second charge on all the company's immovable properties, both present and future, on which lenders of working capital limits have their charge for principal amounts and interest thereon or any other charges due to the bank in the ordinary course of business.
- c A pledge of 26% percent equity shareholding in the company as held by its promoters and affiliates in favour of Debenture Trustees, which is currently held by term loan lender, after securing release of the same within a period of 90 days from the date of receipt of full subscription. Pledge of shares is still pending.
- d Pending creation of the security envisaged in (c) above, 10,00,00,000 number of equity shares of Silver Resort Hotel India Private Limited held by the company are pledged with the Debenture Trustees as interim Security. This Interim Security shall be released once the security as envisaged in clause (c) above has been created in favour of the Debentures Trustees.
- e Debenture Redemption Reserve for the year has not been created because of unavailability of surplus.

B. Term Loans from Banks

Term loans from banks represents vehicle loans, repayable on monthly basis, are secured by way of hypothecation of specific assets purchased under the hire purchase scheme.

Year of Repayment	2014-15	2015-16	Total
Annual Repayment Amount (Rs./Lacs)	23.23	7.65	30.88
Annual Rate of Interest	10-12.50%	10-12.50%	

C. Term loan from others

- (i) Term loan from others represents long term loan taken from a financial institution repayable on quarterly basis, along with all interest, liquidated damages, premia on prepayment or on redemption, costs, expenses and other monies etc are secured by first mortgage on hotel property of the company at Goa and further secured by personal guarantee of the executive directors.
- (ii) Due to tough economic condition and general slow down the company has not been able to make payment of interest and principal to the financial institution. As a result thereof the financial institution has recalled the entire loan and initiated the recovery proceedings under section 13(2) of Chapter III of "The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002(SRFAESI Act, 2002) vide notice dated 26.03.2013. The loan amount and interest amounting to Rs.13609.82 lacs is appearing as "Loan recalled" under the head Other Current Liabilities in Note No. 10 of Financial Statements. However, the company has made a request to the term lender to re-schedule/ settle the loan and matter is being actively pursued.

D. Unsecured Loans

During the year, the company has repaid the entire loan taken from a related party.

E. Detail of continuing default in repayment of installments of long term borrowings and interest in respect thereof is as under -

Particulars	Amount (in lacs.)	Period of default
Term Loans from others- Principal	600.00	1-2 year
Term Loans from others- Principal	12300.00	0-1 year
Interest on Term Loan form others	709.82	1-3 months
Debenture- Interest	427.23	1-2 year
Debenture- Interest	1186.43	0-1 year

(Rs. in Lacs)

	As at 31.03.2013	As at 31.03.2012
6. OTHER LONG TERM LIABILITIES		
Earnest Money received from business associates & Others	50.00	53.95
Sundry Creditors for Capital Expenses	48.66	48.66
Premium on redemption of Debentures	2000.00	2800.00
	<u>2098.66</u>	<u>2902.61</u>
7. LONG TERM PROVISIONS		
Provision for employees' benefits -		
- Gratuity (unfunded)	78.43	67.87
- Leave Encashment (Unfunded)	50.15	36.24
	<u>128.58</u>	<u>104.11</u>
8. SHORT TERM BORROWINGS		
<u>Secured Loan</u>		
Working capital loans from banks	930.82	842.00
	<u>930.82</u>	<u>842.00</u>
Working Capital loans from banks are secured by way of hypothecation of raw materials,semi-finished goods,finished goods,stores,book debts and other current assets of the company in addition to second pari-passu charge over the entire fixed assets of the company present and future with other term lenders.		
9. TRADE PAYABLES		
Trade Creditors	617.07	316.43
	<u>617.07</u>	<u>316.43</u>

Based on the information available with the Company, a sum of Rs. Nil (Previous Year Nil) is payable to Micro & Small Enterprises as defined under the MSMED Act, 2006. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

(Rs. in Lacs)

	As at 31.03.2013	As at 31.03.2012
10. OTHER CURRENT LIABILITIES		
Current maturities of long-term debts	3363.57	3334.06
Loan recalled (including interest) (Refer Note No. 5C(ii))	13609.82	-
Interest accrued and due on borrowings	1613.66	576.93
Interest accrued but not due on borrowings	506.53	396.06
Premium on redemption of Debentures	800.00	-
Advance received from customers	223.99	191.71
Advance for projects	-	831.66
Other expense payable	505.78	478.42
State Bank of Mysore, credit balance	47.42	-
<u>Other payables -</u>		
-Payable to Delhi International Airport Pvt. Ltd. for hotel land	4661.07	2736.63
-Payable for capital expenses	511.85	52.51
-Construction linked receipts for commercial space in the hotel	5391.46	4462.50
- Tax deducted at source (TDS)	532.10	348.87
- Indirect Taxes	95.99	1.32
<u>Employee benefits payable -</u>		
-Salaries & benefits	226.48	204.29
-Provident fund / ESI	15.03	14.82
-Bonus & incentives	41.07	50.26
	<u>32145.82</u>	<u>13680.03</u>
a. "Payable to Delhi International Airport Pvt. Ltd. for hotel land" represents default amount on account of Licence fee and Development Charges and interest thereon. As a result of default, DIAL has issued "Notice to Cure" and "Notice of intention to terminate" Development Agreement and Infrastructure Development & Service Agreement. The company has requested for grant of more time to clear the dues.		
b. In the year ending 31.03.2010, the company had entered into a Joint Development Agreement (JDA) for marketing, booking and sub-leasing of commercial space in the company's five star hotel project with a company (called co-developer) in which directors and relative of directors of the company are directors. The co-developer is entitled and responsible for marketing of entire commercial space in the hotel project and retain the proceeds thereof. The co-developer shall provide the company a construction linked funding for the cold shell, for the construction of commercial area. The co-developer shall also be responsible for bearing marketing expenses, all the obligations, liabilities including but not limited to legal obligations arising on booking and sublease of commercial areas and servicing of assured lease rents etc, and these expenses will not form part of the project cost. The surplus, arising out of the joint development will be shared by the company and co-developer in the ratio of 85:15 respectively.		
c. "Construction linked receipts for commercial space in the hotel" represents receipt from the co-developer based on actual construction by the company. Based on total booking of commercial space of 171253 sq. feet till 31.3.2013, the company, on completion of cold shell, will be entitled to get total amount of Rs. 10703.31 lacs from the co-developer.		
11. SHORT TERM PROVISIONS		
Provision for Income Tax	120.73	-
<u>Provision for Employees' benefits :</u>		
-Gratuity (unfunded)	13.34	12.70
-Leave Encashment (Unfunded)	11.11	8.67
	<u>145.18</u>	<u>21.37</u>

12. FIXED ASSETS

TANGIBLE ASSETS

(Rs. in lacs)

Particulars	GROSS BLOCK				DEPRECIATION				CARRYING VALUE		
	As at 01.04.2012	Addition	Deductions	As at 31.03.2013	As at 01.04.2012	For the year	Capitalized to WIP	Deductions	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Land and Site development											
- Land	30421.75	398.19	-	30819.94	-	-	-	-	-	30819.94	30421.75
- Site Development	326.83	-	-	326.83	-	-	-	-	-	326.83	326.83
Buildings											
- Hotel	15817.75	-	-	15817.75	2150.96	257.83	-	-	2408.79	13408.96	13666.79
- Others	20.42	-	-	20.42	5.49	0.33	-	-	5.82	14.60	14.93
Plant and Equipment	4091.30	43.26	-	4134.56	2983.66	369.95	0.20	-	3353.81	780.75	1107.64
Electrical Installations	765.18	15.24	-	780.42	280.60	36.69	-	-	317.29	463.13	484.58
Furnitures & Fixtures - Hotel	1553.74	11.21	-	1564.95	921.84	147.71	-	-	1069.55	495.39	631.90
Furnitures & Fixtures - Others	106.11	0.36	-	106.47	74.12	6.73	-	-	80.85	25.62	31.99
Vehicles	407.41	-	4.48	402.93	134.59	38.39	-	2.87	170.11	232.82	272.82
Office Equipments	52.97	2.01	-	54.98	40.63	3.79	-	-	44.42	10.56	12.34
Operating Equipment	243.92	55.68	-	299.60	140.86	25.13	-	-	165.99	133.60	103.06
Computers	44.32	30.03	-	74.35	8.07	9.02	-	-	17.09	57.26	36.25
Total	53851.70	555.97	4.48	54403.19	6740.82	895.57	0.20	2.87	7633.72	46769.46	47110.88
Previous Year	53064.30	1129.45	342.05	53851.70	6116.49	896.84	0.20	272.71	6740.82	47110.88	-

INTANGIBLE ASSETS

Computer Software	63.48	12.02	-	75.50	25.08	22.90	-	-	47.98	27.52	38.40
Previous Year	25.31	38.17	-	63.48	10.22	14.86	-	-	25.08	38.40	-

CAPITAL WORK-IN-PROGRESS

CWIP	6,044.52	3,356.20	-	9,400.72	-	-	-	-	-	9,400.72	6,044.52
Previous Year	3,338.61	2,705.91	-	6,044.52	-	-	-	-	-	6,044.52	-

a. Land includes -

Development charges paid to DIAL	8030.00
Long term Security deposit with DIAL	19288.78
Interest on delayed payments paid to DIAL	1600.23
	<u>28919.01</u>

b. Capital work-in-progress includes:-

	01.04.2012	Additions During the year	31.03.2013
Project Consultancy Fees	914.11	375.71	1289.82
License Fees & interest thereon	2547.63	1551.05	4098.68
Site Development	1012.12	6.46	1018.58
Finance Charges	763.25	7.79	771.04
Legal & Professional Fees	150.44	47.04	197.48
Company Incorporation & Other Secretarial expenses	297.97	31.22	329.19
Salary & wages	129.11	109.56	238.67
Travelling	70.30	4.17	74.47
Building under construction	145.77	847.31	993.08
Villa Project at Goa	13.82	-	13.82
Chiller at Goa	-	375.89	375.89
Closing Balance	6044.52	3356.20	9400.72

		(Rs. in Lacs)	
		As at	As at
		31.03.2013	31.03.2012
13	<u>NON-CURRENT INVESTMENTS</u>		
A.	Trade Investments	-	-
B.	Other Investments (At Cost)	-	
	(a) Quoted		
	1250 (P.Y.1250) Equity Shares of Rs. 10/- each fully paid-up of ICICI Limited (Market value of quoted investment is Rs. 13.07 lacs (P.Y. Rs.11.13 lacs))	1.22	1.22
	Aggregate amount of quoted investment	<u>1.22</u>	<u>1.22</u>
	(b) Unquoted		
	<u>Associate Companies</u>		
	15600 (P.Y.15600) Equity Shares of Rs.10/- each fully paid up of Joy Hotel & Resorts Pvt. Ltd.		
	- As Associate	1.56	1.56
	- As Goodwill	4273.44	4273.44
	<u>Others</u>		
	4020 (P.Y. 4020) Equity Shares of Rs.50/- each fully paid up of Domvibli Nagari Sehkari Bank Ltd.	2.01	2.01
	Aggregate amount of unquoted investment	<u>4277.01</u>	<u>4277.01</u>
		<u>4278.23</u>	<u>4278.23</u>
(i)	Provision for fall in carrying value of investments in respect of losses in the associate company has not been made, as these losses, in management's perception, are temporary in nature. This company has not started commercial operation till the balance sheet date.		
(ii)	All 15,600 equity share of Rs. 10/- each fully paid up of associate company Joy Hotel & Resorts (P) Limited are pledged with term lenders of the associate company for securing the term loans, interest on loans and all other related moneys payable as availed by the associate company for its upcoming five star hotel project at Chandigarh.		
14.	<u>LONG TERM LOANS AND ADVANCES</u>		
	(Unsecured, considered good)		
	Capital Advances	444.71	412.00
	Other Advances	-	40.00
	Security Deposits	54.12	48.66
		<u>498.83</u>	<u>500.66</u>

(Rs. in Lacs)

	As at 31.03.2013	As at 31.03.2012
15 OTHER NON-CURRENT ASSETS		
Unamortised amount of premium on redemption of debentures*	247.01	1,047.01
	<u>247.01</u>	<u>1,047.01</u>
Other non-current assets represents unamortised amount of premium on redemption of debentures to be charged to revenue beyond 12 months from the date of balance sheet.		
16 INVENTORIES		
(At cost or Net Realisable Value whichever is lower)		
Stores and Operating supplies	1430.65	1364.19
Provisions & Beverages	105.05	41.06
Wine & Liquor	77.06	61.88
	<u>1612.76</u>	<u>1467.13</u>
The inventory of store & operating supplies, provisions & beverages & wine and liquor has been taken, valued and certified by the management.		
17 TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months		
Unsecured -		
Considered good	0.44	7.99
Considered doubtful	5.93	12.63
Less : Allowance for doubtful debts	(5.93)	(12.63)
	<u>0.44</u>	<u>7.99</u>
Other Debts		
Unsecured -		
Considered good	487.91	521.20
	<u>488.35</u>	<u>529.19</u>
18 CASH AND CASH EQUIVALENTS		
<u>Balances with banks</u>		
i) Current Accounts	137.36	244.84
ii) Bank Balances held as -		
- Fixed Deposit against Margin money	142.22	142.22
Cash on hand	15.11	43.92
	<u>294.69</u>	<u>430.98</u>

	(Rs. in Lacs)	
	As at	As at
	31.03.2013	31.03.2012
19 <u>SHORT TERM LOANS AND ADVANCES</u>		
(Unsecured, considered good)		
Advance Income Tax - Tax Deducted at source	729.43	683.67
Advances with Suppliers & Others	278.02	61.70
Loans & advances to employees	6.76	4.16
	<u>1014.21</u>	<u>749.53</u>
20 <u>OTHER CURRENT ASSETS</u>		
Prepaid Expenses	176.23	110.37
Interest on fixed deposits accrued but not due	41.77	29.77
Commission receivables	7.54	4.18
Unamortised amount of premium on redemption of debentures*	800.00	800.00
Others**	1220.13	18.90
	<u>2245.68</u>	<u>963.21</u>
*Unamortised amount of premium on redemption of debentures represents amount of premium on redemption of debentures to be charged to revenue within 12 months from the date of balance sheet.		
**Others includes Rs. 214.25 lacs paid to lender of the company towards assured return towards buy back of equity share capital of subsidiary company setting up hotel project in Delhi. (Refer Foot Note No (i) of 21 of Notes on Financial Statements)		
21 <u>CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)</u>		
a) <u>Contingent Liabilities</u>		
Guarantees		
For securing loans of upcoming hotel project at Chandigarh related to associate company	6500.00	6500.00
For operation of the company	549.27	549.27
Dividend on cumulative preference shares	4657.94	4202.94
- 10% cumulative redeemable preference shares (11 years dividend)		
- 1% cumulative redeemable preference shares (9 years dividend)		
b) <u>Commitments</u>		
Estimated amount of contracts remaining to be executed on capital account	9665.52	9476.22

(Rs. in Lacs)

	As at 31.03.2013	As at 31.03.2012
c) Other money for which company is contingently liable		
Obligation to buy back equity share capital with return on investment of subsidiary company Silver Resort Hotel India (P) Limited	16199.93	-
On account of booking of commercial space in the hotel by co-developer (Refer Note 10(c))	22535.63	19706.62
	<u>60108.29</u>	<u>40435.05</u>
(i) The financial institution from which the company has taken term loan has also invested in the equity share capital of the subsidiary of the company Silver Resort Hotel India (P) Limited (setting up a five star hotel project near International Airport, Delhi) to the tune of Rs. 8500.00 lacs. The company is party to the Share Buy Back Agreement alongwith promoters of the company. The buy back amount alongwith return on investment are secured by way of equitable mortgage on first charge basis on "Park Hyatt Goa Resort & Spa" Hotel property of the company situated at 263C, Arrossim, Consaulim, Goa and additionally guaranteed by the executive directors of the company and the company. Exercising the above right, during the year, the institution has called upon the company to honour buy back obligation in respect of Rs. 2800.00 lacs of equity and return on investment and has thus raised demand of Rs. 5118.60 lacs. Balance buy back obligations with return on investment for Rs. 2800.00 lacs and Rs. 2900 lacs will fall due in the financial years 2013-14 & 2014-15 respectively.		
(ii) The company has taken opinion from expert that Corporate guarantee of Rs. 6500.00 lacs given for securing loans of upcoming hotel project at Chandigarh related to associate company does not require approval from Central Govt.		
22 REVENUE FROM OPERATIONS		
ROOMS, FOOD, BEVERAGES AND OTHER SERVICES		
Room Income	6313.53	6503.77
Provisions & Beverages	1815.48	1909.76
Wine and liquor	992.68	1026.08
Communications	29.03	85.50
Others	597.29	594.00
	<u>9748.01</u>	<u>10119.11</u>
23 OTHER INCOME		
Interest Income	9.13	14.42
Dividend received on non-trade investments	0.51	0.30
Excess provision no longer required written back	3.95	3.59
Miscellaneous Income	86.60	78.53
	<u>100.19</u>	<u>96.84</u>

		(Rs. in Lacs)	
		As at	As at
		31.03.2013	31.03.2012
24	<u>COST OF MATERIALS, STORES & SUPPLIES</u>		
(a)	Stores & Operating supplies		
	Opening Stock	1364.19	1426.89
	Add : Purchases	791.91	894.60
		<u>2156.10</u>	<u>2321.49</u>
	Less: Closing Stock	<u>1430.65</u>	<u>1364.19</u>
		725.45	957.30
(b)	Provisions & Beverages		
	Opening Stock	41.06	23.00
	Add : Purchases	775.01	699.40
		<u>816.07</u>	<u>722.40</u>
	Less: Closing Stock	<u>105.05</u>	<u>41.06</u>
		711.02	681.34
(c)	Wine & Liquor		
	Opening Stock	61.88	58.67
	Add : Purchases	70.27	55.93
		<u>132.15</u>	<u>114.60</u>
	Less: Closing Stock	<u>77.06</u>	<u>61.88</u>
		55.09	52.72
	Total (a+b+c)	<u>1491.56</u>	<u>1691.36</u>
25	<u>EMPLOYEE BENEFITS EXPENSE</u>		
	Salaries and Wages	1457.94	1359.48
	Gratuity & Leave Encashment	55.28	35.59
	Contribution to provident and other funds	117.03	113.76
	Staff Welfare	232.51	204.31
		<u>1862.76</u>	<u>1713.14</u>
26	<u>FINANCE COST</u>		
	Finance Cost on operations		
	Interest	3909.97	3461.69
	Premium on redemption of debentures	800.00	800.00
	Bank charges	11.64	4.06
		<u>4721.61</u>	<u>4265.75</u>

(Rs. in Lacs)

	As at 31.03.2013	As at 31.03.2012
27 OTHER EXPENSES		
Telephone	25.83	35.83
Power & Fuel	535.92	485.73
Rent	53.31	51.28
Repairs to buildings	59.70	47.97
Repairs to machinery	325.77	204.22
Insurance	48.44	46.66
Rates and Taxes	5.98	17.52
Legal and Professional Expenses	169.88	334.40
Travelling Expenses	78.57	100.77
Selling and Advertisement Expenses	767.78	758.04
Management fees	667.44	731.73
Printing & Stationery	49.68	47.27
Allowance for bad & doubtful Debts	2.71	1.00
Loss on sale of Fixed Assets	0.37	65.92
Miscellaneous Expenses	539.27	600.92
	3330.65	3529.26

28 Extraordinary items (net of taxes) of Rs. 1033.10 lacs represents surplus on transfer of a bid rights of acquisition of hotels in United Kingdom to a company in which director and relative of directors are interested as directors.

29 PRIOR PERIOD ITEMS

Expenses include Rs. 24.52 lacs (Previous Year Rs. 0.97 lacs) as expenses (net) relating to earlier years.

30 EMPLOYEE BENEFITS

Disclosures as per Accounting Standard, AS-15 (Revised) "Employee Benefits" is as under:-

(A) Disclosure for Defined Contribution Plans		(Rs. In lacs)
Particulars	31.03.2013	31.03.2012
Employer's contribution to Provident Fund	81.06	77.78
Employer's contribution to Employees State Insurance	35.97	35.98

(B) Disclosure for Defined Benefits Plans

(Rs. In lacs)

i. Particulars	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Change in the present value of obligation:				
Present Value of Obligation as at the beginning of the year	80.58	76.98	44.91	37.20
Add : Interest Cost	6.85	6.16	3.82	2.98
Add : Current Service Cost	22.41	17.61	26.87	18.88
Less : Benefit paid	(17.63)	(9.96)	(10.11)	(14.33)
Add : Actuarial gain/ (loss) on obligations	(0.43)	(10.21)	(4.23)	0.18
Present Value of Obligation as at the close of the year	91.77	80.58	61.26	44.91
ii. Particulars	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
Change in the fair value of Plan Assets:	31.03.2013	31.03.2012	31.03.2013	31.03.2012
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	-	-	-	-
iii. Particulars	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
Expense recognized in the Statement of Profit and Loss	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Current Service Cost	22.41	17.61	26.87	18.88
Add: Interest Cost	6.85	6.16	3.82	2.98
Less: Expected Return On Plan Assets	-	-	-	-
Less: Settlement Credit	-	-	-	-
Add: Net actuarial gain/ (loss) recognized	(0.43)	(10.21)	(4.23)	0.18
Total expenses recognized in Statement of Profit & Loss	28.83	13.56	26.46	22.04
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)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Discount Rate	8.00%	8.50%	8.00%	8.50%
Rate of Increase in Compensation Levels	10.00%	10.00%	10.00%	10.00%
Rate of Return on Plan Assets	-	-	-	-
Expected average remaining working lives of employees (years)	29.66	29.41	29.29	29.08

31 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.

32 Deferred Tax Liability/(Assets) :-

As required by Accounting Standard - 22 "Accounting for taxes on income" issued by Institute of Chartered Accountants of India, deferred tax asset on losses for the year has been created to the extent opening balance of deferred tax liability appearing in the books. The major components of deferred tax liability/(assets) are given below -

	Deferred tax liability / (assets) as at 01.04.2012	Current Year Charge	Deferred tax liability / (assets) as at 31.03.2013
Depreciation -Timing difference	2393.88	45.48	2439.36
Retirement benefit to employees	(42.48)	(48.11)	(90.59)
Unabsorbed depreciation/ losses	(1411.95)	(794.61)	(2206.56)
Deferred tax liability/(Assets) on ordinary items	939.46	(797.24)	142.22
Deffered tax on extraordinary items	111.58	496.17	607.75
Net Deferred tax liability / (Assets)	1051.04	(301.07)	749.97

33 EARNING PER SHARE :

	31.03.2013	31.03.2012
Profit/(Loss) for the year (Rs.in lacs)	(761.51)	(1,047.95)
Less : Preference Share Dividend	455.00	455.00
Profit/(Loss) available for equity share holders (Rs. In lacs)	(1,216.51)	(1,502.95)
Add: Dividend on cummulative preference shares (Refer Note no. C (iv) of 2) (Convertible)	40.00	40.00
Adjusted Profit/(Loss) available for equity share holders (Rs.in lacs)	(1,176.51)	(1,462.95)
Weighted average number of equity shares outstanding for Basic earning per share	8864962	8864962
Effect of dilutive equity shares on account of conversion of preference shares	10000000	10000000
Weighted average number of equity shares outstanding for Diluted Earning per share	18864962	18864962
Basic earnings per share in rupees (face value - Rs.10 per share)	(13.72)	(16.95)
Diluted earnings per share in rupees (face value - Rs.10 per share) Potential equity shares in current year considered to be anti-dilutive in nature, hence 10000000 equity share being conversion of preference shares have not been adjusted to arrive at the diluted earning per share	(13.72)	(16.95)

34 In the opinion of management, there is no impairment condition exists as on 31st March, 2013. Hence no provision is required in the accounts for the current period ending.

35 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. Associate Company	Joy Hotel and Resorts Pvt. Limited
ii. Key management Personnel	Mr.P.L.Suri, Chairman & Managing Director Mrs. Sunita Suri, Executive Director
iii. Entities over which management personnel/ relatives of key management personnel are able to exercise significant influence with which the company has transactions during the year	Blue Coast Infrastructure Development Pvt. Limited

b. Transaction with Related parties	Nature of transaction	Amount (Rs./lacs)
i. Key Management Personnel	Remuneration/ Perquisites	36.00
	Closing balance as on 31.03.2013 (Payable)/ Recoverable	(133.07)
	Maximum balance outstanding during the year	(133.07)
ii. Entities over which management personnel/ relatives of key management personnel are able to exercise significant influence	Surplus on transfer of hotels bid situated in U.K.	1529.27
	Closing balance as on 31.03.2013 (Payable)/ Recoverable	1198.03
	Maximum balance outstanding during the year	1198.03

36 Foreign Exchange Earnings

(Rs. in Lacs)

Particulars	31.03.2013	31.03.2012
Earning in Foreign Exchange	4073.92	4224.53

Expenditure in Foreign Currency

Particulars	31.03.2013	31.03.2012
Capital Goods	309.41	33.24
Others	921.27	1050.28

37 Information of subsidiaries as required under section 212 of the Companies Act,1956 :

(Rs. in lacs)

Name of Subsidiary	Blue Coast Hospitality Ltd.	Golden Joy Hotel Private Ltd.	Silver Resort Hotel India Private Ltd.
Country of origin	India	India	India
A. Share Capital	5.00	5.00	27351.00
B. Reserve & Surplus	(7.53)	(2.18)	(52.29)
C. Total Liabilities	206.94	258.99	10600.90
D. Total Assets	204.41	261.81	37899.61
E. Investment included in total Assets (Except for Investments in Subsidiaries)	-	-	-
F. Turnover/ Other Income	-	-	0.52
G. Profit/(Loss) before Taxes	(0.66)	(0.53)	(18.45)
H. Provision for Taxation	-	-	-
I. Profit/(Loss) after Taxes	(0.66)	(0.53)	(18.45)
J. Proposed Dividend	-	-	-

38 OTHERS SIGNIFICANT DISCLOSURES

- a) In the opinion of directors, all other assets other than fixed assets and non-current investments, except stated otherwise, have a value on realisation 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 with banks & parties appearing under various heads are subject to confirmation.
- c) No provision for current Income tax has been made in view of loss during the year.
- d) Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout.
- e) Figures have been rounded off to the nearest lacs.

Blue Coast Hotels Ltd.

Regd. Office : 263C, Arossim, Cansaulim, Goa-403 712 INDIA Tel. : +91-832-2721234 Fax : +91-832-2721235

FORM OF PROXY

Folio No./Client ID

I/ We.....
of
being a member of Blue Coast Hotels Limited, hereby appoint
of.....
or failing him.....of.....

as my/our Proxy to attend and vote for me/ us and on my/ our behalf at the 20th Annual General Meeting of the members of Blue Coast Hotels Limited to be held at 263C, Arossim, Cansaulim, Goa 403712 on Monday, 30th day of September, 2013 at 10.30 a.m. and at any adjournment thereof.

Signed this.....day of.....2013

Signed by the said.....

Affix a
1 Rupee
Revenue
Stamp

Notice : The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered office of the Company not less than 48 hours before the meeting. The Proxy need not be a member of the Company.

Blue Coast Hotels Ltd.

Regd. Office : 263C, Arossim, Cansaulim, Goa-403 712 INDIA Tel. : +91-832-2721234 Fax : +91-832-2721235

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

Member's Name
(In Block Letters)

Folio No./Client ID

Name of Proxy
(If attending for Member)
(in Block Letters)

I hereby record my presence at the 20th Annual General Meeting of the members of Blue Coast Hotels Limited to be held at 263C, Arossim, Cansaulim, Goa - 403712 on Monday, 30th day of September, 2013 at 10.30 a.m.

.....
(Signature of the Member or Proxy if attending for member)

1. Members/Proxies are requested to bring the DULY SIGNED Attendance Slip to the Meeting and hand it over at the entrance.
2. For the convenience of Members, persons other than Members/Proxies WILL NOT BE ADMITTED.

The Spirit of India™

Blue Coast
Group of Hotels

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Corp. Office : 415 – 417, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi - 110 001 Tel. : +91- 23358774-775 Fax : +91-11- 23358776
Regd Office : 263C, Arossim, Cansaulim, Goa – 403712 INDIA Tel. : + 91-832-2721 234 Fax: +91-832-2721 235

FORM A

1.	Name of the Company	Blue Coast Hotels Limited
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	<p><u>Matter of Emphasis</u></p> <p>Attention is drawn to the following notes on financial statements:-</p> <p>i. Note no. 4(C)(ii) regarding recalling the entire loan and interest of Rs. 13609.82 lacs by the financial institution under section 13(2) of Chapter III of "The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002".</p> <p>ii. Note no. 4(E) regarding continuous default by the company in payment of debenture interest to the tune of Rs. 1613.66 lacs.</p> <p>iii. Foot Note (i) of note 20 regarding contingent liability of Rs. 16199.93 lacs for obligations towards buy back of shares of the subsidiary company which is secured against the Goa hotel property of the company and default by the company in meeting its initial installment of buy back obligation.</p>
4.	Frequency of observation	First time
5.	To be signed by-	
	• CEO/Managing Director	 P.L.Suri Chairman & Managing Director
	• CFO	 Suresh Gupta AVP (F&A) & CFO For M.Kamal Mahajan And Co. Chartered Accountants Firm Regn No. 006855N
	• Auditor of the company	 M. K. Mahajan (Partner) M. No. 017418
• Audit Committee Chairman		 Ashoka Kini Chairman - Audit Committee

