



Sinclairs Hotels Limited | Annual Report 2012-2013



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CORPORATE INFORMATION

Board of Directors

Dr Niren Suchanti, Chairman
Navin Suchanti, CEO & Managing Director
Rohan Sikri
Hardeep Sachdeva
Kunal Bose
Ravi Bhasin
Aseem Kohli
Vikash Kuthari, Wholetime Director

Company Secretary & Compliance Officer

Tapan Kumar Banerjee

General Manager (Finance & Accounts)

B L Soni

Auditors

S R Batliboi & Co. LLP
Chartered Accountants

Registered and Corporate Office

Pressman House
10A Lee Road
Kolkata 700 020

Hotels & Resorts

Sinclair's Siliguri
Sinclair's Darjeeling
Sinclair's Bayview Port Blair
Sinclair's Retreat Ooty
Sinclair's Retreat Dooars Chalsa

Projects under implementation

Sinclair's Retreat Kalimpong
Sinclair's Tourist Resort Burdwan
Sinclair's Kolkata

Registrar & Transfer Agent

Niche Technologies Pvt Ltd
Kolkata

Website

www.sinclairshotels.com

Investor information Website

www.sinclairsindia.com

NOTICE

Notice is hereby given that the Fortyfirst Annual General Meeting of the company will be held at Rotary Sadan, 94/2, Jawaharlal Nehru Road, Kolkata 700 020 on Saturday, 14th day of September 2013 at 10:30 a.m. to transact the following business :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Statement of Profit and Loss for the year ended March 31, 2013 and the Balance Sheet as on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a director in place of Mr Rohan Sikri, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr Hardeep Sachdeva, who retires by rotation and being eligible, offers himself for re-appointment.
4. To confirm the payment of Interim Dividend of ` 18 (180%) per equity share of ` 10 declared by the Board of Directors at their meeting held on 26th February 2013 as the final Dividend.
5. To appoint Auditors for the period commencing from the conclusion of this annual general meeting till the conclusion of the next annual general meeting and to authorise the Board to fix their remuneration.

Registered Office
Pressman House
10A Lee Road
Kolkata 700 020
Dated: May 28, 2013

For and on behalf of the Board

T K Banerjee
Company Secretary

NOTES:

1. A member entitled to attend and vote may appoint a proxy to attend and on poll to vote in his stead. A proxy need not be a member of the company. Proxies to be effective, should be deposited at the registered office not later than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Register will remain closed from Friday, 6th September, 2013 to Saturday, 14th September, 2013 (both days inclusive).
3. The Board of Directors at their meeting held on 26th February, 2013 had declared an Interim Dividend of ` 18 (180%) per equity share of ` 10 and paid the same to those members, whose name appeared in the register of members as on 8th March, 2013.
4. Members holding shares in physical form are requested to intimate change in their registered office address and bank particulars to the Company's Registrar and Share Transfer Agent and the members holding their shares in electronic form are requested to provide this information to their Depository Participant(s) immediately.
5. Members who are yet to register their e-mail addresses with the company for receiving the Report and Accounts, Notices, etc. in electronic mode, are requested to register the same in support of the Green Initiative in Corporate Governance. The form for such registration can be downloaded from the Company's Corporate website under the section 'Investor Information'.

6. Securities and Exchange Board of India has made it mandatory for all the listed Companies to make cash payments through electronic payment modes to the investors. In cases, where either the required bank details are not available or the electronic payment instructions have failed or have been rejected by the bank, the Company shall use physical payment instrument and shall mandatorily print the bank account details of the investors on such payment instruments. Therefore, members holding shares in physical mode are requested to provide their updated bank details in the 'NECS Mandate Form' and forward the same duly filled-in and signed to the Company's Registrar and Share Transfer Agent, Niche Technologies Pvt. Ltd. Members holding the Company's shares in demat mode are requested to provide the bank account details to their concerned Depository Participant(s).
7. Members desirous of obtaining any information/ clarification(s) concerning the accounts and operations or intending to raise any query are requested to forward the same at the registered office at least 10 days before the date of meeting, so that the same may be attended to appropriately.
8. A copy of Balance Sheet, Statement of Profit and Loss , Auditors' Report and every other document required by law to be annexed or attached to the Annual Report shall be available for inspection at the Registered Office of the Company during working hours for a period of 21 days up to the date of Annual General Meeting and is also available on the website www.sinclairsindia.com
9. Brief resume of the directors to be re-appointed are given in corporate governance report.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fortyfirst Annual Report of the company together with the Audited Accounts for the year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

₹ in lacs

Sl. No.	Particulars	Year ended 31.03.2013	Year ended 31.03.2012
1	Gross Income	2169.84	1725.59
2	Profit before depreciation and tax	617.53	609.27
3	Depreciation	214.82	148.49
4	Profit before tax and exceptional items	402.71	460.78
5	Exceptional items	1146.19	-
6	Profit before tax	1548.90	460.78
7	Provision for tax	117.39	152.11
8	Profit after tax	1431.51	308.67
9	Profit brought forward	394.84	418.14
10	Profit available for appropriation	1826.35	726.81
11	Transfer to General Reserve	175.00	50.00
12	Interim and final dividend	1091.74	242.61
13	Tax on Dividend	177.11	39.36
14	Balance carried to Balance Sheet	382.50	394.84
		1826.35	726.81

PERFORMANCE AND FUTURE PLANS

The company registered gross revenue of ₹ 21.70 crore as against ₹ 17.26 crore last year indicating a growth of nearly 26%. The five operating hotels in Siliguri, Darjeeling, Dooars, Port Blair and Ooty recorded an aggregate revenue growth of 35% from ₹ 14.47 crore last year to ₹ 19.60 crore in the current year.

The company monetized part of its real estate assets in Siliguri as a result of which it had an earning of ₹ 1485.66 lacs. In view of change in method of charging depreciation on certain fixed assets, additional depreciation of ₹ 339.47 lacs has been charged. These two items have resulted in an exceptional item of ₹ 1146.19 lacs in the profit and loss account. The profit before tax inclusive of the exceptional item is ₹ 1548.90 lacs.

In view of the sales strategy adopted by the company as well as further enhancement of facilities in its hotels and resorts, the current year is expected to see a robust growth in revenues and profits.

FUTURE PLANS

The company's luxury resort project at Kalimpong as well as the tourist resort project at Burdwan is likely to be commissioned in the current fiscal year. This will add to both revenue and profits.

As far as Kolkata hotel project is concerned, unfortunately the company has still not received the sanction from the concerned authorities as a result of which the implementation of the project has been delayed.

DIVIDEND

During the year, your Directors, in view of the improved operational results as well as extraordinary income, have paid an interim dividend @ 180% (₹ 18 per equity share of ₹ 10) on 6,065,222 equity shares amounting to ₹ 126,884,748 (Rupees Twelve crore sixty eight lac eighty four thousand seven hundred forty eight only) inclusive of dividend distribution tax.

The Board has recommended the interim dividend as final dividend.

DIRECTORS

Mr Siddhartha Yog resigned from the Board on 26th February, 2013. The Board expressed deep appreciation for the valuable advice and suggestions given by Mr Siddhartha Yog which substantially benefited the Company.

Mr Aseem Kohli was appointed as a Director in the casual vacancy caused by resignation of Mr Siddhartha Yog on 26th February, 2013.

Mr Hardeep Sachdeva and Mr Rohan Sikri retire by rotation and being eligible offers themselves for re-appointment.

SUBSIDIARY COMPANY

Savannah Hotels Private Limited ceased to be a subsidiary of your company effective 20th March, 2013 and became an Associate.

AUDITORS

M/s S R Batliboi & Co. LLP Chartered Accountants (Firm Registration No 301003E) retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment.

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement with stock exchanges, a separate section on Management Discussion and Analysis which includes further details on the state of affairs of the Company and Corporate Governance Report, as approved by the Board of Directors, together with a certificate from the Statutory Auditors confirming the compliance with the requirements of Clause 49, forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956 and on the basis of explanation and compliance certificate given by the officials of the Company and subject to disclosures in the Annual Accounts and also on the basis of discussions with the Statutory Auditors of the Company, we state as under:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a fair view of the state of affairs of the Company and of the profit of the Company for the year ended 31st March, 2013.
- iii) that the directors have taken proper and sufficient care for the maintenance of accounting records in accordance with the provisions of the Companies Act, 1956 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The operations of your company do not require energy consumption of any significant level. The company does not

use any imported technology. Therefore, information regarding conservation of energy and technology absorption as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Director), Rules, 1988 is not annexed.

As a measure to conserve resources and protect environment, the Company has installed solar energy systems in its resort at Chalsa and hotel at Ooty.

During the year, your Company earned ` 5,808,395 in foreign exchange (previous year ` 4,527,767). There was expenditure in foreign currency of ` 3,515,240 (previous year ` 8,090,194).

PUBLIC DEPOSITS

Your company has not accepted any deposits from the public.

PARTICULARS OF EMPLOYEES

There were no employees of the category mentioned in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

ACKNOWLEDGEMENT

The Directors place on record their appreciation for the co-operation extended by the Government of West Bengal, Andaman & Nicobar Islands Administration, Government of Tamil Nadu and other authorities, and look forward to their continued support.

The Directors wish to thank all the shareholders and the employees for their support and co-operation.

Regd. Office:
Pressman House
10A Lee Road
Kolkata 700 020
May 28, 2013

For and on behalf of the Board

Dr Niren Suchanti
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development, Opportunities and Threats

Tourism and hospitality is a particularly vibrant tertiary sector with a strong bearing on the economy. The sector contributes 6.23 per cent to the national gross domestic product (GDP) and has a 8.78 per cent share of total employment. Moreover, India stands 42nd in world rankings in terms of foreign tourist arrivals (FTAs) with potential to climb the chart.

India's rich cultural heritage, exotic food, friendly disposition of people, historical monuments and classy hospitality and services are positive strengths for its tourism sector. All this puts India ahead of many emerging markets. The challenge is to capitalize on the positives.

The Indian hotel industry has seen a significant growth in room inventory across categories from upscale luxury to limited services and boutique and budget hotels. However in recent times, the occupancy and room rates have been under pressure.

Foreign direct investment (FDI) in the hotel and tourism sector during April 2000 to January 2013 is US\$ 6,561.78 million, as per data provided by the Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce.

FTAs showed a growth of 2.8 per cent in March 2013 year-on-year while the growth rate in Foreign Exchange Earnings (FEEs) from tourism in the same period stood at 21 per cent in rupee terms. FTAs during March 2013 were 640,000 compared to 623,000 in March 2012.

Visa on Arrival (VoA), a much popular scheme of the Government of India, registered a growth of 54.6 per cent in February 2013. A total number of 1,947 VoAs were issued in February 2013 as compared to 1,259 VoAs issued in the same month of 2012.

With the projected growth in India's GDP, improvement in per capita income and rising aspirational spending, the Indian hospitality sector is expected to grow faster than most countries.

Outlook

The Government of India has initiated some measures to encourage the growth of the hospitality industry. It has constituted a Hospitality Development and Promotion Board with the objective of speeding up granting of official permission for hotel projects and helping supervision.

The hospitality industry will continue to be among the leading employers in India in the coming decades. The World Travel and Tourism Council has forecast that China and India will create the highest travel and tourism economy employment in 2020.

Risks and Concerns

Tourism industry is generally affected on account of:

- Adverse law and order situation in the country or the region
- Political instability.
- Natural disaster or spread of epidemic or diseases

Risk mitigation

The Company's five properties being well spread geographically will have the resilience to effectively negotiate in an unlikely event of any regional disturbances or natural calamities.

The Company is regularly investing in its properties to upgrade facilities and service standards. Therefore, it is in a position to mitigate the risk from growing competition.

Internal control systems and their adequacy

Your company maintains adequate internal control systems commensurate with the Company's size and business, which provide, among other things, reasonable assurance of recording the transactions of its operations in all material aspects and providing protection against misuse or loss of the Company's assets. The systems and processes are continually reviewed for their effectiveness and augmented by documented policies and procedures.

Material developments in Human Resources

Human resource functions and initiatives of your Company to attract, train, retain and motivate employees are driven by a strong set of values and policies. Your Company takes on a continuing basis adequate and necessary steps to maintain a competitive, healthy and harmonious work environment at all levels of working.

REPORT ON CORPORATE GOVERNANCE

I. A brief statement on company's philosophy on code of corporate governance

The Company always strives to achieve optimum performance at all levels by adhering to corporate governance practices, such as :

- Fair and transparent business
- Effective management control by Board
- Adequate representation of promoters, executive and independent directors on the Board
- Accountability for performance
- Monitoring of executive performance by the Board

- Timely compliance of laws
- Transparent and timely disclosure of financial and management information

II. Board of Directors

The Board comprises of non-executive Chairman, five non-executive independent Directors and two executive Directors.

During the financial year 2012-2013, five meetings of the board were held. These meetings were held on 28th May, 2012, 14th August, 2012, 9th November, 2012, 5th February, 2013 and 26th February, 2013.

Particulars of Directors are given below:

Name	Designation	Category	Equity shareholding in the Company
Dr Niren Suchanti	Chairman	Non-Executive Director	338,421
Mr Navin Suchanti	CEO and Managing Director	Executive Director	306,320
Mr Siddhartha Yog*	Director	Non-Executive Independent Director	Nil
Mr Rohan Sikri	Director	Non-Executive Independent Director	Nil
Mr Kunal Bose	Director	Non-Executive Independent Director	Nil
Mr Hardeep Sachdeva	Director	Non-Executive Independent Director	Nil
Mr Ravi Bhasin	Director	Non-Executive Independent Director	Nil
Mr Aseem Kohli**	Director	Non-Executive Independent Director	Nil
Mr Vikash Kuthari	Wholtime Director	Executive Director	1,000

* Resigned on 26th February, 2013

** Appointed on 26th February, 2013

Details of Directors' attendance and other particulars are given below :

Director	No. of Board Meetings held	No. of Board Meetings attended	Last AGM Attendance (Yes/No)	No. of memberships in Board of other Public Companies	No. of Committee memberships in other Public Companies#
Dr Niren Suchanti	5	3	No	4	Nil
Mr Navin Suchanti	5	5	Yes	4	Nil
Mr Siddhartha Yog*	5	2	No	Nil	Nil
Mr Rohan Sikri	5	5	No	Nil	Nil
Mr Kunal Bose	5	5	Yes	Nil	Nil
Mr Hardeep Sachdeva	5	Nil	No	Nil	Nil
Mr Ravi Bhasin	5	Nil	No	Nil	Nil
Mr Aseem Kohli**	5	Nil	No	Nil	Nil
Mr Vikash Kuthari	5	5	No	Nil	Nil

Chairman/ Membership Audit Committee and Investor Grievance Committee of Public Companies

* Resigned on 26th February, 2013

** Appointed on 26th February, 2013

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT

Brief resume of the directors being re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships and shareholding are furnished hereunder :

Particulars	Mr Rohan Sikri	Mr Hardeep Sachdeva
Date of Birth	17.10.1974	25.10.1971
Date of appointment	18.12.2007	18.12.2007
Qualification	MBA	LL.B
Expertise in specific functional area	14 years experience in real estate, corporate finance and investment advisory. He is Managing Director of Xander Advisors India Pvt. Ltd.	19 years experience in advising on major corporate acquisitions, joint venture, restructuring foreign inward investment, Corporate Laws and other related statutes. He is a partner of AZB & Partners, Advocates & Solicitors
Directorships held in other Public Companies (excluding foreign companies, and section 25 Companies)	Nil	1
Membership/ Chairmanship of Committee of the Public Companies (includes only Audit Committee and shareholders/Investors Grievance Committee)	Nil	Nil
No of shares held in the Company	Nil	Nil

III. Audit Committee

Terms of Reference

The Audit Committee has, *inter-alia*, the following mandate:

1. To oversee the Company's financial reporting and disclosure process and to ensure that the financial statements are correct, sufficient and credible.
2. To recommend appointment and removal of the Statutory Auditors and Internal Auditors, fixation of their fees, etc.
3. To review the adequacy of internal control systems with the Management, Statutory and Internal Auditors.
4. To review the audited quarterly, half-yearly and annual financial statements.
5. To review the Company's financial and risk management policies.
6. To review statement of significant related party transactions, management letters, etc.

Composition

Kunal Bose - Chairman
(Non-Executive Independent Director)

Rohan Sikri - Member
(Non-Executive Independent Director)

Navin Suchanti - Member
(Executive Director)

Secretary

T K Banerjee - Company Secretary

By Invitation

B L Soni - General Manager
(Finance & Accounts)

Meetings and attendance during the year

During the financial year 2012-2013, four meetings of the committee were held on 28th May, 2012, 14th August, 2012, 9th November, 2012 and 5th February, 2013. The time gap between two meetings was less than four months.

Members	Meetings held	Meetings attended
Kunal Bose	4	4
Rohan Sikri	4	4
Navin Suchanti	4	4

IV. Remuneration Committee

Terms of Reference

The Company has constituted the remuneration committee which is entrusted with the responsibility of finalizing the remuneration of executive directors. It considers the remuneration after taking into account, various factors such as qualification, experience, expertise of the director, prevailing remuneration in the corporate world and financial position of the Company.

Composition

Siddhartha Yog*	- Chairman (Non-Executive Independent Director)
Kunal Bose**	- Chairman (Non-Executive Independent Director)
Rohan Sikri	- Member (Non-Executive Independent Director)
Hardeep Sachdeva	- Member (Non-Executive Independent Director)

*Resigned on 26th February, 2013

**Appointed on 26th February, 2013

Secretary

T K Banerjee - Company Secretary

A. Executive Director

Details of remuneration paid to Executive Directors for the financial year ended 31st March, 2013:

Particulars	Mr Navin Suchanti CEO & Managing Director	Mr Vikash Kuthari Wholetime Director
Salary and Allowances	—	` 1,237,200
Contribution to PF and Family Pension Fund	—	` 99,360
Bonus	—	` 82,800
Commission	` 787,967	—
Service Contract	5 years (01.04.2011 to 31.03.2016)	5 years (19.06.2009 to 18.06.2014)
Notice Period	Three months	Three months
Stock Option	None	None

B. Non-Executive Directors

The Non-Executive Directors are remunerated for attending Board Meeting and Audit Committee Meeting. The fee for Board Meeting is ` 5000 while for Audit Committee Meeting, the fee is ` 2500.

V. Investors' Grievance Committee

Terms of Reference

Investors' Grievance Committee facilitates prompt and effective redressal of shareholders' complaints and the reporting of the same to the Board periodically.

Composition

Rohan Sikri	- Chairman (Non-Executive Independent Director)
Navin Suchanti	- Member (Executive Director)
Kunal Bose	- Member (Non-Executive Independent Director)

Secretary

T K Banerjee - Company Secretary

Meeting and attendance during the year

During the financial year 2012-2013, one meeting of the committee was held on 9th November, 2012.

Members	Meetings held	Meetings attended
Rohan Sikri	1	1
Navin Suchanti	1	1
Kunal Bose	1	1

Name & Designation of Compliance Officer

T K Banerjee, Company Secretary

VI. Shareholders' Meeting

Details of last three Annual General Meeting / EGM:

Year	Date	Venue	Time
2009-10	17.09.2010	Rotary Sadan 94/2, J L Nehru Road, Kolkata 700020	10:30 am
2010-11	27.08.2011	Rotary Sadan 94/2, J L Nehru Road, Kolkata 700020	10:30 am
2011-12	24.08.2012	Rotary Sadan 94/2, J L Nehru Road, Kolkata 700020	10:30 am

The details of special resolutions passed during the last three years are given below:

Sl No.	Date	AGM/EGM	Particulars
1	17.09.2010	AGM	Nil
2	27.08.2011	AGM	a) Re-appointment of Mr Navin Suchanti as CEO & Managing Director. b) Appointment of Ms Pooja Suchanti as Chief of Communications.
3	24.08.2012	AGM	Nil

VII. Disclosures

- There were no material and significant related party transactions, with its promoters, the directors or the management or relatives, etc. that may have potential conflict with the interests of the Company at large. Transactions with the related parties have been disclosed in Note No.28 to the Accounts in the Annual Report.
- No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years. There were no instances of non-compliance by the Company.
- The Company has an established whistle blower policy.
- The Company has complied with the mandatory requirement of clause 49 of the Listing Agreement.

Subsidiary Company

Savannah Hotels Private Limited ceased to be a subsidiary effective 20th March, 2013 and became an Associate.

CFO

Mr Navin Suchanti, in addition to his responsibility as CEO and Managing Director is functioning as CFO in accordance with Clause 49(II)(D)(12A) of the Listing Agreement.

Non-mandatory Requirements

i. The Board

At present, there is no separate office in the company for use of Chairman. There is no policy to determine the tenure of independent directors.

ii. Shareholders Rights

Quarterly financial results including summary of significant events are uploaded in the investor information website of the company. These are not sent individually to shareholders.

iii. Audit qualifications

There is no audit qualification. Every endeavour is made to make the financial statements without qualification.

iv. Training of Board Members

The Board members are persons of high professional standing/business experience and they are competent to discharge their duties.

v. Mechanism for evaluating non-executive Board Members

There is no policy framed for evaluation of non-executive Directors.

VIII. Means of Communication

Quarterly Results

The quarterly results were published during the year under review in all editions of Business Standard and Dainik Statesman. The quarterly results are displayed on the company's investor website www.sinclairsindia.com.

IX. General Shareholder Information

a. Annual General Meeting :

Date	Day	Venue	Time
14th September 2013	Saturday	Rotary Sadan 94/2, J L Nehru Road Kolkata 700 020	10:30 am

b. Financial Calendar (tentative) :

Results for quarter ending June 30,2013	Within 14th August , 2013
Results for quarter ending September 30,2013	Within 14th November, 2013
Results for quarter ending December 31, 2013	Within 14th February, 2014
Results for quarter ending March 31,2014	Within 30th May, 2014
AGM for the year ending March 31, 2014	By end of September, 2014

c. Book Closure : From 06.09.2013 to 14.09.2013
(both days inclusive)

d. Stock Exchange Listing : BSE Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001
BSE Scrip Code : 523023
The Calcutta Stock Exchange
Ltd (CSE)
7, Lyons Range, Kolkata 700 001
CSE Scrip Code : 029074

The company has paid annual listing fees to both the Stock Exchanges.

Dividend

During the year, your company has paid an interim dividend @180% (₹ 18 per equity share of ₹ 10) on 6,065,222 equity shares amounting to ₹ 126,884,748 (Rupees Twelve crore sixty eight lac eighty four thousand seven hundred forty eight only) inclusive of dividend distribution tax. The board has recommended the interim dividend as the final dividend.

e. Market price data :

Monthly high / low – (₹ /share) during 2012-2013)

Market data at BSE Ltd.

Month	Share Prices at BSE		BSE Sensex	
	High	Low	High	Low
April, 2012	298.60	270.90	17664.10	17010.16
May, 2012	298.75	262.25	17432.33	15809.71
June, 2012	314.30	269.85	17448.48	15748.98
July, 2012	290.05	258.50	17631.19	16598.48
August, 2012	287.70	256.55	17972.54	17026.97
September, 2012	266.70	243.75	18869.94	17250.80
October, 2012	281.00	253.00	19137.29	18393.42
November, 2012	333.95	265.00	19372.70	18255.69
December, 2012	313.95	280.00	19612.18	19149.03
January, 2013	335.00	294.90	20203.66	19508.93
February, 2013	419.85	324.70	19966.69	18793.97
March, 2013	405.70	285.00	19754.66	18568.43

f. Registrar and Transfer Agent :

Niche Technologies Pvt Ltd

D-511, Bagree Market, 71, BRBB Road, Kolkata 700 001

Phone : 22343576, Fax : 22156823

Email : nichetechpl@nichetechpl.com

Contact person : Mr Gautam Basu

g. Share Transfer System :

Share transfers in physical form are generally registered within a fortnight from the date of receipt, if the documents are in order. The Share Transfer Committee considers and approve the transfers.

All requests for dematerialisation of shares, are generally processed within 21 days and the confirmation is given to the depositories.

h. Distribution of Shareholding

No of shares	Shareholders		Total No. of Shares	
	No	%	No	%
1-500	2273	98.53	91240	1.50
501-1000	16	0.70	13575	0.22
1001-5000	7	0.30	15759	0.26
5001-10000	1	0.04	7500	0.13
10001-50000	2	0.09	44767	0.74
50001-100000	1	0.04	68600	1.13
100001 & above	7	0.30	5823781	96.02
Total	2307	100.00	6065222	100.00

Category	No. of Shares	%
Promoters	3132878	51.65
Mutual Funds, UTI	Nil	Nil
Banks, FIs, Insurance Cos, Govt. & Non-Govt. Institutions	2205	0.04
Private Corporate Bodies	169785	2.80
Public (Indian)	123058	2.02
NRI's / OCBs	1910	0.03
Foreign Companies	2635341	43.46
Clearing Member	45	0.00
Total	6065222	100.00

i. Dematerialisation of shares :

Out of total paid up capital of 6,065,222 equity shares as on 31st March, 2013, 5,964,531 equity shares (98.34%) and 23,143 equity shares (0.38%) are held in dematerialised form at NSDL and CDSL respectively.

j. Outstanding Instruments :

There are no outstanding GDRs/ ADRs / Warrants or any other convertible instruments.

k. Location of hotels and resort :**Sinclair's Siliguri**

PO Pradhan Nagar, Siliguri 734 403

Sinclair's Darjeeling

18/1, Gandhi Road, Darjeeling 734 101

Sinclair's Retreat Dooars

Chalsa Hilltop, Jalpaiguri 735 206

Sinclair's Retreat Ooty

Gorishola Road, Ootacamund 643 001

Sinclair's Bayview Port Blair

South Point, Port Blair
Andaman Islands 744 106

Projects under implementation :**Sinclair's Retreat Kalimpong**

Kalimpong Khash Mahal, 6th Mile
Dist. Darjeeling, Kalimpong 734 301

Sinclair's Tourist Resort Burdwan

Plot No High Street –I, Burdwan Sadar
Belkash Gram Panchyat, Burdwan 713 102

Sinclair's Kolkata

Plot DJ 14, Action Area ID
New Town, Rajarhat, Kolkata

l. Address for Correspondence :

Compliance Officer
Sinclair's Hotels Limited
Pressman House, 10A Lee Road
Kolkata 700 020
Phone No. (033) 40310805/807
Email : tkb@sinclairshotels.com

AUDITOR'S CERTIFICATE

TO THE MEMBERS OF SINCLAIRS HOTELS LTD

We have examined the compliance of conditions of Corporate Governance by Sinclairs Hotels Limited for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the 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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, subject to the following

No independent director in the board of the Company was a director in its subsidiary company till February 25, 2013.

However, the same was complied with effect from February 26, 2013

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For S.R. Batliboi & Co. LLP
Firm Registration Number 301003E
Chartered Accountants

Place: Kolkata
Date: May 28, 2013

Bhaswar Sarkar
Partner
Membership No. 55596

DECLARATION

(As required under Clause 49 of the Listing Agreement in relation to Code of Conduct)

I, Navin Suchanti, CEO & Managing Director, Sinclairs Hotels Ltd, hereby declare that to the best of my knowledge and belief, all Board members and senior management personnel have

affirmed compliance with the Company's code of conduct for the year ended 31st March, 2013.

Kolkata
May 28, 2013

Navin Suchanti
CEO & Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Members of Sinclairs Hotels Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sinclairs Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and 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 accounting principles generally accepted in India, including the 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.

Auditor's 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E

Per Bhaswar Sarkar
Partner
Place: Kolkata
Date: May 28, 2013
Membership No.: 55596

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH-I UNDER THE HEADING REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF SINCLAIR'S HOTELS LIMITED AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2013)

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) There was no disposal of substantial part of fixed assets during the year.
- (ii) a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) a) The Company has granted unsecured loans, to a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was ` 50,707,931 and year-end outstanding balance of loan granted to such party was ` 50,707,931.
- b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions for such loan is not, prima facie, prejudicial to the interest of the Company
- c) The loan granted is repayable on demand. We are informed that the Company has not demanded repayment of such loan during the year and thus there has been no default on the part of the party to whom such loan have been provided. The collection of interest has been regular.
- d) There is no overdue amount of loan granted to the Companies, firms or other parties listed in register maintained under section 301 of the Companies Act, 1956
- e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion the provisions of clause 4 (viii) of the order are not applicable to the Company.
- (ix) a) Undisputed statutory dues including provident fund, including investor education and protection fund, employees' State Insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to the Company have generally been regularly deposited with appropriate authorities *though there have been delays in few cases*. During the year, the Company did not have any dues towards wealth tax and excise duty.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. During the year, the Company did not have any dues towards wealth tax and excise duty.

- c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute except for the following:

Name of the statute	Nature of dues	Amount (`)	Period to which the amount relates	Forum where dispute is pending
West Bengal Value Added Tax Act, 2003	Purchase tax, Turnover tax and Sales Tax,	3.65 lacs	1994-95, 2005-06 and 2009-10	Senior Joint Commissioner of Commercial Tax
	disallowance of remission and input tax credit etc.	16.48 lacs	2006-07 and 2007-08	West Bengal Commercial Tax Appellate and Revisional Board

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has neither obtained any loans from banks and financial institutions nor issued debentures.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, 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 or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has pledged its investment in the equity shares of its associate company for loan taken by such associate from a financial institution, the terms and condition whereof, in our opinion are not prima-facie prejudicial to the interest of the Company. Apart from this it has not given any guarantee for loan taken by others from banks or financial institution.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the 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 S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E

per Bhaswar Sarkar
Partner
Place: Kolkata
Date: May 28, 2013
Membership No.: 55596

BALANCE SHEET AS AT 31ST MARCH, 2013

	Notes	As at 31st March 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	60,652,220	60,652,220
Reserves and Surplus	4	778,525,725	747,604,203
		839,177,945	808,256,423
Non Current Liabilities			
Deferred Tax Liability	5	28,444,037	40,715,672
Other Long Term Liabilities	6	8,419,863	5,759,481
		36,863,900	46,475,153
Current Liabilities			
Trade Payables	6	9,451,704	6,763,646
Other Current Liabilities	6	29,396,352	73,978,223
Short Term Provisions	7	1,755,291	775,875
		40,603,347	81,517,744
TOTAL		916,645,192	936,249,320
ASSETS			
Non Current Assets			
Fixed Assets	8		
Tangible Assets		357,477,501	401,447,128
Intangible Assets		-	2,295,037
Capital Work-in-Progress		250,096,848	137,788,808
Non Current Investments	9	186,846,060	191,326,060
Long Term Loans and Advances	10	24,732,344	7,293,302
Other Non Current Assets	12	6,968,381	6,088,820
		826,121,134	746,239,155
Current Assets			
Current Investments	13	4,500,000	115,970,977
Inventories	14	2,639,740	2,867,590
Trade Receivables	11	10,448,495	5,919,074
Cash and Bank Balances	15	19,171,676	33,947,259
Short Term Loans and Advances	10	53,764,147	11,586,019
Other Current Assets	12	-	19,719,246
		90,524,058	190,010,165
TOTAL		916,645,192	936,249,320

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statement.

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm Registration Number 301003E
Chartered Accountants

per Bhaswar Sarkar
Partner
Membership No. 55596
Kolkata, May 28, 2013

For and on behalf of the Board of Directors

Dr Niren Suchanti
Chairman

Kunal Bose
Director

Navin Suchanti
CEO & Managing Director

T K Banerjee
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Notes	Year ended 31st March 2013	Year ended 31st March 2012
INCOME			
Revenue from Operations	16	195,943,086	144,690,881
Other Income	17	21,041,080	27,868,091
		216,984,166	172,558,972
EXPENSES			
Food, Beverage and Stores Consumed	18	25,615,526	19,803,948
Employee Benefits Expense	19	40,244,701	29,455,997
Other Expenses	20	89,370,882	62,371,198
Depreciation and Amortization	21	21,481,685	14,849,477
		176,712,794	126,480,620
Profit Before Tax and Exceptional Items		40,271,372	46,078,352
Exceptional Items	34	114,619,042	-
Profit Before Tax		154,890,414	46,078,352
Tax Expense			
Current Tax	33,993,940		
Less: MAT Credit Entitlement	9,983,219		
Net Current Tax Expense		24,010,721	14,767,422
Deferred Tax Charge/(Credit)		(12,271,635)	443,986
		11,739,086	15,211,408
Profit After Tax		143,151,328	30,866,944
Earnings Per Share			
[Nominal Value per share ` 10 (Previous year ` 10)]	22		
Basic and Diluted		23.60	5.09

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statement.

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm Registration Number 301003E
Chartered Accountants

per Bhaswar Sarkar
Partner
Membership No. 55596
Kolkata, May 28, 2013

For and on behalf of the Board of Directors

Dr Niren Suchanti
Chairman

Kunal Bose
Director

Navin Suchanti
CEO & Managing Director

T K Banerjee
Company Secretary

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13	2011-12
A. Cash Flow from Operating Activities		
Net Profit before Taxes	154,890,414	46,078,352
Adjustments For :		
Depreciation / Amortization	21,481,685	14,849,477
Exceptional Items	(114,619,042)	-
Profit on Redemption of Investments	(14,424,554)	(1,598,528)
Interest Income	(4,590,693)	(23,989,939)
Sundry Balance written off	974,921	188,111
Loss on Sale/Discard of Fixed Assets	9,240,533	838,297
Liabilities no longer required written back	(727,618)	(92,989)
Operating profit before working capital changes	52,225,646	36,272,781
Movements in working capital :		
Decrease / (Increase) in Trade Receivables	(5,126,342)	(58,766)
Decrease / (Increase) in Inventories	227,850	(909,828)
Decrease / (Increase) in Long Term Loans and Advances	(700,922)	(196,365)
Decrease / (Increase) in Short Term Loans and Advances	(1,309,213)	(536,652)
Decrease / (Increase) in Other Current Assets	15,013,448	-
Increase / (Decrease) in Trade Payables	3,415,676	4,084,202
Increase / (Decrease) in Short-Term Provisions	(7,025)	116,925
Increase / (Decrease) in Other Non Current Liabilities	2,660,382	2,846,606
Increase / (Decrease) in Other Current Liabilities	1,964,200	2,168,992
Cash Generated From Operation	68,363,700	43,787,895
Direct taxes paid (net)	(32,852,892)	(15,263,790)
Net Cash Flow from Operating Activities	35,510,808	28,524,105
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(136,666,367)	(121,678,876)
Proceeds from Sale of Fixed Assets	118,349,531	49,898,750
Purchase of equity shares in subsidiary company *	-	(113,218,000)
Purchase of debentures in subsidiary company*	-	(78,108,060)
Proceeds from sale of equity shares in subsidiary company *	4,480,000	-
Loan given to subsidiary company*	(42,707,931)	(8,000,000)
Purchase of Current Investments	(290,037,000)	(227,500,000)
Proceeds from Sale/ Maturity of Current Investment	415,932,531	113,127,551
Purchase of bank deposits (having original maturity of more than three months)	(330,049)	(51,188,825)
Maturity of bank deposits (having original maturity of more than three months)	30,988,825	407,869,234
Interest Income	6,374,318	29,175,779
Net Cash from Investing Activities	106,383,858	377,553
C. Cash Flow from Financing Activities		
Dividends Paid	(107,970,672)	(45,101,922)
Tax on Dividend Paid	(17,710,752)	(3,935,723)
Net Cash used in Financing Activities	(125,681,424)	(49,037,645)
Net Increase in Cash and Cash Equivalents (A+B+C)	16,213,242	(20,135,987)
Cash and cash equivalents at the beginning of the year	2,958,434	23,094,421
Cash and cash equivalents at the end of the year	19,171,676	2,958,434
Components of cash and cash equivalents		
Balance with banks		
On current accounts	16,743,470	2,117,631
On unpaid dividend account **	1,689,186	485,862
Cash on hand	739,020	354,941
Cash and Bank Balances as per Note 15	19,171,676	2,958,434

* Savannah Hotels Private Limited ceased to be a subsidiary Company with effect from March 20, 2013 and became an associate

** These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities

As per our report of even date

For S.R.Batliloi & Co. LLP
Firm Registration Number 301003E
Chartered Accountants

per Bhaswar Sarkar
Partner
Membership No. 55596
Kolkata, May 28, 2013

For and on behalf of the Board of Directors

Dr Niren Suchanti
Chairman

Kunal Bose
Director

Navin Suchanti
CEO & Managing Director

T K Banerjee
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

1. CORPORATE INFORMATION

The Company is in the hospitality industry and has hotels / resort at Siliguri, Darjeeling and Chalsa in West Bengal, Ooty in Tamilnadu and Port Blair in Andaman and Nicobar Islands.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of assets for which revaluation is carried out. The accounting policies applied by the Company, are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Tangible Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation / amortization and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Specifically attributable expenditures are directly charged to Fixed Assets / Capital Work in Progress.

(d) Depreciation / Amortization

- i. Depreciation is provided using the Straight Line Method as per rates prescribed under Schedule XIV of the Companies Act, 1956 or at rates determined based on the useful lives of the respective assets, as estimated by the management, whichever is higher. During the year the Company has re-estimated the useful lives of Furniture and Fixtures, Electrical Installations and Plant and Machinery and depreciation has been provided based on the following useful life.

Particulars	Rate as per current useful life	Schedule XIV rates
Furniture and Fixtures	20%	9.5%
Electrical Installations	20%	4.75%
Plant and Machinery	20%	4.75%

- ii. Unamortized balance of goodwill as at 1st April 2008 is written off equally over a period of five years.
- iii. Leasehold land is amortized over the lease period of 99 years.
- iv. Depreciation on revalued assets is provided at the rates specified in Schedule XIV of the Companies Act, 1956. However, in case of fixed assets whose life is determined by the valuer to be less than their useful life under Schedule XIV, depreciation is provided at the higher rates, to ensure the write off of these assets over their useful life, incidentally such rates coincide with the rates specified in Schedule XIV of the Companies Act, 1956.

(e) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date to determine, if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(f) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

(g) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds.

(h) Investments

Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(i) Inventories

Inventories are valued as lower of cost and net realizable value. Cost is determined on "First in First Out" basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(j) Revenue Recognition

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

i. Income from Services

Revenue from hospitality services is recognised when the services are rendered and the same becomes chargeable and is net of service tax and other statutory dues collected on behalf of the government. It comprises of sale of room and food and beverages and other services.

Membership fees collected from customers either in full upfront or on deferred payment basis against club facilities to be provided to them over the period of membership will be recognized as income over such period of membership after commencement of club operations. Pending such commencement, these have been included under 'Advance membership fees received'.

ii. Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii. Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

(k) Foreign Currency Transaction

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(l) Retirement and other employee benefits

- (i) Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to a reduction in future payment or a cash refund.

- (ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation under projected unit credit method made at the end of each financial year.
- (iii) Short term compensated absences are provided for based on management estimates.
- (iv) Actuarial gains / losses are immediately taken to Statement of Profit and Loss and are not deferred.

(m) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(n) Segment Reporting Policy

The Company has hoteliering as its sole business segment and the same is considered as its primary reportable segment. The Company at present, operates in India only and therefore the analysis of geographical segment is not applicable to the Company.

(o) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net result 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.

(p) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past events 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 best 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 best estimates.

(q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(r) Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

	As at 31st March, 2013	As at 31st March, 2012
3 SHARE CAPITAL		
Authorized Share Capital		
15,000,000 (previous year 15,000,000) equity shares of ` 10/- each	150,000,000	150,000,000
5,000,000 (previous year 5,000,000) redeemable preference shares of ` 10/- each	50,000,000	50,000,000
	200,000,000	200,000,000
Issued, subscribed and fully paid-up shares		
6,065,222 (previous year 6,065,222) equity shares of ` 10/- each fully paid-up	60,652,220	60,652,220

(a) There is no movement in Issued and subscribed equity share and share capital during the current and previous year.

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ` 10 per share. Every holder of an equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2013, the dividend amount per share recognized as distribution to equity shareholders was ` 18 (previous year ` 4.00).

In the event of liquidation of the Company, after distribution of all preferential amounts, the remaining assets of the company will be distributed to equity shareholders in proportion to their shareholding.

(c) Details of shareholders holding more than 5% Equity Shares in the Company

Name of the shareholders	As at 31 March 2013		As at 31 March 2012	
	No of Equity Shares	% holding	No of Equity Shares	% holding
Equity shares of ` 10 each fully paid up				
Xander Investment Holding X Ltd	1,978,741	32.62%	1,979,221	32.63%
Pramina Suchanti	1,256,224	20.71%	1,256,224	20.71%
Sujata Suchanti	1,231,613	20.31%	1,231,613	20.31%
MCCS Investment Holding Ltd.	588,000	9.69%	588,000	9.69%
Dr. Niren Suchanti	338,421	5.58%	338,421	5.58%
Navin Suchanti	306,320	5.05%	306,320	5.05%

As per records of the Company, and information provided by its registrar the above shareholding represents both legal and beneficial ownership of shares.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

	As at 31st March, 2013	As at 31st March, 2012
4 RESERVES AND SURPLUS		
Capital Reserve		
Amalgamation Reserve		
Balance as per last financial statements	7,279,767	7,279,767
Capital Redemption Reserve		
Balance as per last financial statements	12,280,000	12,280,000
Capital Investment Subsidy		
Balance as per last financial statements	8,136,724	8,136,724
Securities Premium Account		
Balance as per last financial statements	509,405,585	509,405,585
Revaluation Reserve		
Balance as per last financial statements	35,537,976	50,792,256
Less: amount transferred to the statement of profit and loss as reduction from depreciation (refer note 21)	358,506	240,832
Less: adjusted against revalued fixed asset held for sale (refer note 12)	-	15,013,448
Closing Balance	35,179,470	35,537,976
General Reserve		
Balance as per last financial statements	135,480,181	130,480,181
Add: transfer from assets held for disposal	15,013,448	-
Add: amount transferred from surplus balance in the statement of profit and loss	17,500,000	5,000,000
Closing Balance	167,993,629	135,480,181
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	39,483,970	41,813,637
Add: Profit for the year	143,151,328	30,866,944
	182,635,298	72,680,581
Appropriations:		
Interim Dividend		
[amount per share ` 18 (previous year ` 4)]	109,173,996	24,260,888
Tax on Interim Dividend	17,710,752	3,935,723
Transfer to General Reserve	17,500,000	5,000,000
Net surplus in the statement of profit and loss	38,250,550	39,483,970
	778,525,725	747,604,203

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

	As at 31st March 2013	As at 31st March 2012
5 DEFERRED TAX LIABILITY		
Deferred tax liability		
Timing difference on depreciable fixed assets	28,444,037	40,715,672
	28,444,037	40,715,672

6 OTHER LIABILITIES

	Non-Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Trade Payables				
For goods (refer note 24 for details of dues to micro and small enterprises)			4,963,808	3,100,981
For other expenses			4,487,896	3,662,665
			9,451,704	6,763,646
Other Liabilities				
Advances from Customers			4,572,883	4,548,632
Advances against sale of assets (refer note 12)			-	49,817,625
Unclaimed dividend (amount will be credited to Investor Education and Protection Fund when due)			1,689,186	485,862
Other payables				
Advance membership fees received	8,419,863	5,759,481	-	-
Deposits received from others			386,000	551,000
Creditors for fixed assets			17,368,665	15,300,435
Statutory dues			1,909,008	1,607,010
Other payable (for employees etc)			3,470,610	1,667,659
	8,419,863	5,759,481	29,396,352	73,978,223

Short-term

7 PROVISIONS

Provision for employee benefits

	31st March 2013	31st March 2012
Gratuity	768,850	775,875
Provision for Tax [net of advance tax ` 33,007,500 (previous year nil)]	986,441	-
	1,755,291	775,875

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

8 FIXED ASSETS

	Tangible Asset								Intangible Asset		Capital Work in Progress	
	Freehold Land	Leasehold Land	Building	Plant and equipment	Furniture and fixture	Electrical installation	Vehicles	Office equipment	Total	Goodwill		
Cost or Revalued	112,059,376	2,765,576	224,267,429	61,541,641	47,545,756	12,969,994	5,462,584	4,296,946	470,909,302	15,300,249	116,568,955	
	269,650	-	33,237,181	17,715,304	34,467,823	11,255,982	1,761,488	509,805	99,217,233	-	134,808,966	
	-	-	-	1,327,474	2,274,532	118,426	235,908	1,792,944	5,749,284	-	96,304,544	
	15,114,988	-	-	-	-	-	-	-	15,114,988	-	17,284,569	
	97,214,038	2,765,576	257,504,610	77,929,471	79,739,047	24,107,550	6,988,164	3,013,807	549,262,263	15,300,249	137,788,808	
	Additions	-	5,400,121	4,403,516	7,373,982	1,097,966	49,063	642,033	18,966,681	-	123,327,413	
	Disposals	-	-	11,548,671	13,164,600	3,541,097	1,658,050	370,772	30,283,190	-	11,019,373	
	At 31 March 2013	97,214,038	2,765,576	251,356,060	69,168,387	83,571,932	23,547,466	6,666,455	3,655,840	537,945,754	15,300,249	250,096,848
	Depreciation											
	At 1 April 2011	-	446,962	62,852,809	33,753,560	29,381,503	7,335,335	2,453,412	3,626,144	139,849,725	10,710,175	-
Charge for the year	-	28,318	3,663,525	2,537,471	4,675,042	1,076,261	504,602	310,053	12,795,272	2,295,037	-	
Disposals	-	-	-	650,483	2,088,499	73,823	224,113	1,792,944	4,829,862	-	-	
At 31 March 2012	-	475,280	66,516,334	35,640,548	31,968,046	8,337,773	2,733,901	2,143,253	147,815,135	13,005,212	-	
Charge for the year	-	27,859	4,207,172	22,223,593	18,480,007	7,745,962	549,458	257,641	53,491,692	2,295,037	-	
Disposals	-	-	5,408,296	10,859,365	2,822,876	1,547,873	200,164	-	20,838,574	-	-	
At 31 March 2013	-	503,139	65,315,210	47,004,776	47,625,177	14,535,862	3,083,195	2,400,894	180,468,253	15,300,249	-	
Net Block												
31st March, 2012	97,214,038	2,290,296	190,988,276	42,288,923	47,771,001	15,769,777	4,254,263	870,554	401,447,128	2,295,037	137,788,808	
31st March 2013	97,214,038	2,262,437	186,040,850	22,163,611	35,946,755	9,011,604	3,583,260	1,254,946	357,477,501	-	250,096,848	

(a) Revaluation: The Company has revalued land and building situated at Siliguri and Darjeeling in the year 1993, the total increase on such revaluation being ` 35,745,982 (previous year ` 35,745,982). Land and Building situated at Port Blair were revalued in the year 1994 resulting in a net increase of ` 13,735,921 (previous year ` 13,735,921).

(b) Building includes those constructed on leasehold land, Gross Block ` 71,673,953 (previous year ` 71,332,985), Depreciation charge for the year ` 1,162,903 (previous year ` 1,130,645), Accumulated depreciation ` 14,195,832 (previous year ` 13,032,929), Net book value ` 57,478,120 (previous year ` 58,300,055).

(c) Freehold land and capital work in progress include costs aggregating ` 105,863,235 (previous year ` 105,561,326) relating to a project where the construction work will commence on receipt of necessary approvals from appropriate authorities.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

	As at 31st March, 2013	As at 31st March, 2012
9 NON CURRENT INVESTMENT		
Trade investments - Unquoted (valued at cost)		
Investments in Associate		
776,700 (previous year Nil) equity shares of ` 100 each fully paid-up in Savannah Hotels Private Limited	108,738,000	-
Investments in Subsidiary Company	-	113,218,000
Nil (previous year 808,700) equity shares of 100 each fully paid-up in Savannah Hotels Private Limited		
Debentures		
7,810,806 (previous year 7,810,806) Zero rated Debentures of ` 10 each, fully paid up, in Savannah Hotels Private Limited, due for redemption on October 31, 2014 at par.	78,108,060	78,108,060
	186,846,060	191,326,060
Aggregate amount of unquoted investments	186,846,060	191,326,060

(a) The above shares are pledged with Tourism Finance Corporation of India Limited against the outstanding loan of ` 96,430,000 (previous year ` 115,358,000) of the associate company Savannah Hotels Private Limited.

	Non-Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
10 LOANS AND ADVANCES				
(Unsecured, considered good)				
Capital Advances	8,875,001	4,080,222	-	-
Security Deposits	683,668	477,578	-	128,000
Loan to a related party (refer note 28) *			50,707,931	8,000,000
Advances recoverable in cash or kind	1,980,765	549,944	1,179,452	235,914
Other Loans and Advances				
Loans to employees (interest free)	30,000	150,000	309,163	311,171
Advance income tax (net of provision for taxation ` 36,991,190 (previous year ` 36,913,886)	2,969,749	1,800,688	-	1,246,365
MAT Credit Entitlement	9,983,219	-		
Prepaid expenses	209,942	234,870	1,517,083	1,401,422
Balance with service tax and VAT authorities	-	-	50,518	263,147
	13,192,910	2,185,558	1,876,764	3,222,105
	24,732,344	7,293,302	53,764,147	11,586,019

* Loan given to Savannah Hotels Private Limited which was a subsidiary company till March 20, 2013 and an associate company thereafter. Maximum amount outstanding at anytime during the year is ` 50,707,931 (previous year ` 8,000,000)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

	As at 31st March 2013		As at 31st March 2012	
11 TRADE RECEIVABLES				
(Unsecured, considered good)				
Outstanding for a period exceeding six months from the date they are due for payment		551,024		1,410,880
Other receivables		9,897,471		4,508,194
		10,448,495		5,919,074
	Non-Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
12 OTHER ASSETS				
(Unsecured, considered good)				
Margin money deposit with bank (note 15)	5,873,482	5,543,433	-	-
Fixed assets held for sale (at net book value, being lower than estimated net reliable value)	-	-	-	17,386,109
Interest accrued, but not due on margin money / deposits with bank	1,094,899	545,387	-	2,333,137
	6,968,381	6,088,820	-	19,719,246
13 CURRENT INVESTMENTS				
Unquoted mutual funds				
Current portion of long-term investments (valued at cost)				
Nil (previous year 1,000,000) units of HDFC Mutual Fund-FMP 370D Feb 2012(2) SR XXI Growth (Face value ` 10 each)			-	100,000,000
Current investments (valued at lower of cost and fair value, unless stated otherwise)				
Nil (previous year 750,000) units of HDFC Mutual Fund-FMP 92D March 2012(1) Growth (Face value ` 10 each)			-	7,500,000
179,387.213 (previous year 367,617) units of HDFC Mutual Fund-Treasury Advantage Plan Retail - Growth (Face value ` 10 each)			4,500,000	8,470,977
			4,500,000	115,970,977
Aggregate amount of unquoted investments			4,500,000	115,970,977
14 INVENTORIES				
(valued at lower of cost and net realizable value)				
Food and Beverages			1,373,128	1,513,551
Linen, Curtains, Housekeeping Items etc.			1,266,612	1,354,039
			2,639,740	2,867,590

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

	Non-Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
15 CASH AND BANK BALANCES				
Cash and Cash equivalents				
Balance with banks				
On current accounts			16,743,470	2,117,631
On unpaid dividend account			1,689,186	485,862
Cash on hand			739,020	354,941
			19,171,676	2,958,434
Other Bank Balances				
Deposits with original maturity for more than three months but less than twelve months			-	30,988,825
Margin money deposit*	5,873,482	5,543,433		
	5,873,482	5,543,433	-	30,988,825
Amount as disclosed under non-current assets (note 12)	(5,873,482)	(5,543,433)		
Net	-	-	19,171,676	33,947,259

* Margin money ` 5,401,472 (previous year ` 5,071,423) pledged against Bank Guarantees and ` 472,010 (previous year ` 472,010) pledged with the Registrar, Calcutta High Court towards certain litigations.

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
16 REVENUE FROM OPERATIONS		
Sale of services		
Room	115,278,615	86,079,430
Food and Beverages	65,847,808	47,529,556
Other operating revenues		
Car Hire Income	6,809,477	5,245,506
Others	8,007,186	5,836,389
	195,943,086	144,690,881
17 OTHER INCOME		
Interest Income		
- Deposits with Banks	1,233,332	23,650,616
- Loan to subsidiary company	3,151,680	202,520
- Loan to associate company	1,83,382	-
- Others	22,299	136,803
Net gain on sale of current investments	4,237,554	1,598,528
Profit on sale of long term investments	10,187,000	-
Compensation received for surrender of tenancy	-	1,524,920
Liabilities no longer required written back	727,618	92,989
Other non-operating income	1,298,215	661,715
	21,041,080	27,868,091

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
18 FOOD AND BEVERAGE CONSUMED		
Inventory at the beginning of the year	1,513,551	1,237,862
Add: Purchases	25,475,103	20,079,637
	26,988,654	21,317,499
Less : Inventory at the end of the year	1,373,128	1,513,551
	25,615,526	19,803,948
Details of Consumption		
Food and Groceries	22,619,309	16,950,681
Beverages and Wines	2,996,217	2,853,267
	25,615,526	19,803,948
19 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus etc.	30,871,958	24,212,342
Contribution to Provident and Other Funds	2,654,283	2,324,453
Staff welfare expenses	6,718,460	2,919,202
	40,244,701	29,455,997
20 OTHER EXPENSES		
Linen, Curtains, Housekeeping Items etc.	10,200,351	9,516,205
Power and Fuel	20,111,156	13,514,101
Rent	1,350,582	981,218
Rates and Taxes	2,801,422	2,675,883
Insurance	782,415	614,193
Repairs and Maintenance :		
Plant and Machinery	1,164,674	1,301,662
Buildings	2,735,790	2,733,713
Others	3,639,846	4,467,397
Advertisement and Sales Promotion	8,526,543	4,582,498
Commission to Selling Agents	3,801,223	2,452,763
Travelling and Conveyance	3,325,154	2,435,455
Motor Car Expenses	2,141,741	1,673,912
Bank Charges	813,937	538,161
Car and Other Hire Charges	5,460,319	4,403,615
Communication Costs	947,571	728,031
Musical Expenses	714,163	694,356
Printing and Stationery	797,103	813,424
Legal and Professional Fees	2,914,305	2,140,515
Directors' Fees	50,000	67,500
Remuneration to Auditor		
As auditor:		
Statutory Audit	525,000	525,000
Limited Review	375,000	375,000
Audit of Consolidated Financial Statement	-	200,000
Reimbursement of Service Tax and Out-of-Pocket Expenses	143,592	194,079
Loss on Sale / Discard of Fixed Assets	9,240,533	838,297
Loss on Exchange Fluctuations (Net)	-	125,384
Sundry Balances Written Off	974,921	188,111
Miscellaneous Expenses	5,833,541	3,590,725
	89,370,882	62,371,198

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

21 DEPRECIATION AND AMORTIZATION

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Depreciation on tangible assets	53,491,692	12,795,272
Amortization of intangible assets	2,295,037	2,295,037
	55,786,729	15,090,309
Less: Transferred from Revaluation Reserve	358,506	240,832
Less: Transferred to exceptional item (refer note 34)	33,946,538	-
	21,481,685	14,849,477

22 EARNINGS PER SHARE (EPS)

Particulars		2012-13	2011-12
Net profit as per statement of profit and loss	`	143,151,328	30,866,944
Weighted average number of equity shares in calculating basic EPS	Nos.	6,065,222	6,065,222
Nominal value of each share	`	10	10
Basic and Diluted Earning Per Share	`	23.60	5.09

23 GRATUITY PLAN

The Company has a defined benefit gratuity plan for its employees. Every employee who has completed five years or more of service is entitled to gratuity at the rate of 15 days last drawn salary for each completed year of service, in terms of Payment of Gratuity Act, 1972. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy. The following tables summarize the components of net benefit /expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans.

Statement of Profit and Loss

Net employee benefit expense

Particulars	2012-13	2011-12
Current service cost	417,147	342,888
Interest cost on benefit obligation	356,100	292,551
Expected return on plan assets	(372,573)	(317,813)
Net actuarial loss recognised in the year	368,176	458,249
Past service cost	-	-
Net benefit expense	768,850	775,875
Actual return on plan assets	372,573	317,813

Gratuity Expenses have been recognised in Contribution to Provident and Other Funds under Note 19.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Balance Sheet

Details of Provision for Gratuity

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Defined benefit obligation	4,980,327	4,451,246
Fair value of plan assets	4,211,477	3,675,371
	768,850	775,875
Less: Unrecognised past service cost	-	-
Net Liability	768,850	775,875

Changes in the present value of the defined benefit obligation are as follows :

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Opening defined benefit obligation	4,451,246	3,656,882
Interest cost	356,100	292,551
Current service cost	417,147	342,888
Benefits paid	(612,342)	(299,324)
Actuarial losses on obligation	368,176	458,249
Plan Amendments	-	-
Closing defined benefit obligation	4,980,327	4,451,246

Changes in the fair value of plan assets are as follows:

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Opening fair value of the plan assets	3,675,371	2,997,932
Expected return	372,573	317,813
Contributions by employer	775,875	658,950
Benefits paid	(612,342)	(299,324)
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	4,211,477	3,675,371

The Company contributes the amount of net liability ascertained as per actuarial valuation to gratuity fund in the next year.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

Particulars	As at 31st March, 2013	As at 31st March, 2012
Investments with insurer	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	2012-13	2011-12
Discount rate	8.00 %	8.00 %
Expected rate of return on assets	9.15 %	9.15 %
Expected rate of future salary increase	5.50 %	5.50 %
Mortality Table	LIC (1994-96) ultimate	LIC (1994-96) ultimate

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Amount incurred as expense for defined contribution plans:

(Amount in Rupees)

Particulars	2012-13	2011-12
Contribution to Provident Fund	1,885,433	1,548,578

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous four years are as follows:

(Amount in Rupees)

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Defined benefit obligation	4,980,327	4,451,246	3,656,882	2,950,041	2,582,019
Plan assets	4,211,477	3,675,371	2,997,932	2,660,158	2,341,191
Deficit / (Surplus)	768,850	775,875	658,950	289,883	240,828

As confirmed by the actuary, there are no experience adjustments on plan assets and liabilities that need to be reported for the current year and previous four years.

- 24** As per information and records available with the Company, there are no reportable amount of dues on account of principal and interest or any such payments during the year as required by Micro, Small and Medium Enterprises Development Act, 2006, in respect of Micro Enterprises and Small Enterprises as defined in the Act. As a result no disclosure in this respect is made in the Financial Statements.

25 SEGMENT INFORMATION

The Company's business activity primarily falls within a single business segment i.e. hoteliering and hence no additional disclosure other than those already made in the financial statements are required under Accounting Standard 17.

26 CAPITAL COMMITMENT:

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Estimated amount of contracts remaining to be executed on capital contract and not provided for (Net of Advances)	31,138,436	27,313,544

27. CONTINGENT LIABILITIES NOT PROVIDED FOR

(Amount in Rupees)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Sales Tax matters under dispute / appeal	534,369	409,875
EPCG (Duty amount on outstanding export obligations)	2,268,339	2,967,451

The Company has filed a writ petition before the Circuit Bench of the Hon'ble High Court at Calcutta against the Secretary, Port Blair Municipal Council against property tax on hotels in Port Blair which was levied without giving them an opportunity of being heard as was directed by the Hon'ble High Court vide its earlier order dated 21.2.2011 in this regard. The management believes that the Company has a good case for success in this matter and therefore no provision is necessary for the same. The amount of liability, if any, is not presently ascertainable.

28. RELATED PARTY DISCLOSURES

(a) Names of related parties:

Key Management Personnel	Mr Navin Suchanti (CEO & Managing Director)
	Mr Vikash Kuthari (Wholtime Director)
Relatives of Key Management Personnel	Dr. Niren Suchanti (Brother of CEO & Managing Director)
	Ms. Pooja Suchanti (Daughter of CEO & Managing Director)
	Subsidiary Company Savannah Hotels Private Limited *
	Associate Company Savannah Hotels Private Limited *
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Pressman Advertising Limited
	Pressman Properties Limited
	Pressman Realty Limited
	Son-et-Lumiere Art Gallery Private Limited

* Savannah Hotels Private Limited ceased to be subsidiary w.e.f March 20, 2013 and became an Associate of Sinclair's Hotels Limited from that date.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

(b) Related Party Transactions :

(Amount in Rupees)

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Subsidiary Company*	Associate Company*	Enterprises owned or significantly influenced by key management personnel or their relatives				Total
	Mr. Navin Suchanti	Mr. Vikash Kuthari	Dr. Niren Suchanti	Ms. Pooja Suchanti	Savannah Hotels Pvt. Ltd.	Savannah Hotels Pvt. Ltd.	Pressman Properties Limited	Pressman Realty Limited	Son-et-Lumiere Art Gallery Pvt. Ltd.	Pressman Advertising Limited	
Directors' Remuneration	787,967 (921,567)	1,419,360 (1,226,400)									2,207,327 (2,147,967)
Directors' Sitting Fees			15,000 (25,000)								15,000 (25,000)
Salary, Wages Bonus and Contribution to Provident and Other Funds				650,400 (586,080)							650,400 (586,080)
Electricity Charges							70,505 (67,299)				70,505 (67,299)
Rent							707,868 (529,440)	387,642 (330,900)	180,000 (96,000)		1,275,510 (956,340)
Advertising and Sales Promotion										6,626,409 (3,301,682)	6,626,409 (3,301,682)
Interest Income					3,151,680 (202,520)	183,382 -					3,335,062 (202,520)
Management Consultancy Income					1,007,143 -						1,007,143 -
Loan to Subsidiary Company					42,707,931 (8,000,000)						42,707,931 (8,000,000)
Sale of Investment	4,480,000 -										4,480,000 -
Investment in Equity Shares of Subsidiary / Associate Company					- (113,218,000)	108,738,000 -					108,738,000 (113,218,000)
Investment in Debentures of Subsidiary / Associate Company					- (78,108,060)	78,108,060 -					78,108,060 (78,108,060)
Balance Payable at year end - Trade payable	287,967 (546,567)									921,167 (31,260)	1,209,134 (577,827)
Balance Receivable at year end - Short Term Loans and Advances					- (8,000,000)	51,715,074					51,715,074 (8,000,000)

* Savannah Hotels Private Limited ceased to be subsidiary w.e.f. March 20, 2013 and became an Associate of Sinclair's Hotels Limited from that date. Previous year's figures given in brackets.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

29 VALUE OF IMPORTS CALCULATED ON CIF BASIS

(Amount in Rupees)

Particulars	2012-13	2011-12
Capital goods	3,262,085	7,939,475

30 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Amount in Rupees)

Particulars	2012-13	2011-12
Advertisement and Sales Promotion	-	150,719
Commission	253,155	-
	253,155	150,719

31 INDIGENOUS FOOD, BEVERAGE AND STORES CONSUMED

Particulars	Percentage of total consumption		(Amount in Rupees)	
	2012-13	2011-12	2012-13	2011-12
Indigenous	100.00	100.00	25,615,526	19,803,948
Imported	-	-	-	-

32 EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Amount in Rupees)

Particulars	2012-13	2011-12
Income from services	5,808,395	4,527,767

The earning in foreign currency represent amount settled by customers either directly in foreign currency or through credit cards issued by foreign banks.

33 NET AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF INTERIM DIVIDENDS

Period to which it relates	1st April 2012 to 31st March 2013	1st April 2011 to 31st March 2012
No. of non-resident shareholders	31	31
No. of Shares held	2,637,251	2,637,710
Amount remitted (USD)**	862,946	206,125
Amount remitted (`) **	47,436,138	10,543,284

** Excluding amount aggregating to ` 34,380 (` 7,566) remitted to Non-resident shareholders in Indian Currency.

34 EXCEPTIONAL ITEMS PROFIT / (LOSS)

(Amount in Rupees)

Particulars	2012-13	2011-12
Surplus on sale of immovable property	148,565,580	-
Depreciation expenses	(33,946,538)	-
	114,619,042	-

- i. During the current year the Company has sold 2.78 acres of land situated at Siliguri, West Bengal. The surplus of ` 148,565,580 on sale of such land has been recognized in the statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

- ii. During the year, the Company has re-estimated the useful lives of Furniture and Fixtures, Electrical Installations and Plant and Machinery based on the changing trend of periods over which these assets are being used prior to their replacement/ discard. Consequent to such re-estimation, depreciation is now being provided over the useful lives as mentioned in note 2(d) above. As a result, depreciation charge for the year is higher by ` 33,946,538 and the profit before tax for the year is lower by ` 33,946,538.

35 PREVIOUS YEAR FIGURES

Previous year figures have been regrouped / reclassified, where necessary to conform to this year's classification.

As per our report of even date

For and on behalf of the Board of Directors

For S. R. Batliboi & Co. LLP
Firm Registration No. 301003E
Chartered Accountant

per Bhaswar Sarkar
Partner
Membership No. 55596
Place: Kolkata
Date : May 28, 2013

Dr Niren Suchanti
Chairman

Navin Suchanti
CEO & Managing Director

Kunal Bose
Director

T.K. Banerjee
Company Secretary

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

 2 8 1 5 2
State Code 2 1

Balance Sheet date

 3 1 0 3 2 0 1 3
Date Month Year

II. Capital Raised during the Year (Amount in ` Thousand)

Public Issue

 N I L

Rights Issue

 N I L

Bonus Issue

 N I L

Private Placement

 N I L

III. Position of Mobilisation and Deployment of Funds (Amount in ` Thousand)

Sources of Funds

Total Liabilities

 9 1 6 6 4 5

Paid-up Capital

 6 0 6 5 2

Deferred Tax Liabilities

 2 8 4 4 4

Current Liabilities

 4 0 6 0 3

Application of Funds

Net Fixed Assets

 6 0 7 5 7 4

Current Assets

 9 0 5 2 4

Total Assets

 9 1 6 6 4 5

Reserves and Surplus

 7 7 8 5 2 6

Secured Loans

 -

Non Current Liabilities

 8 4 2 0

Non Current Investments

 1 8 6 8 4 6

Long Term Loan and Advance

 2 4 7 3 2

Other Non Current Assets

 6 9 6 9

IV. Performance of Company (Amount in ` Thousand)

Turnover

 2 1 6 9 8 4

+ - Profit/Loss before Depreciation and Tax

☒ 6 1 7 5 3

+ - Profit/Loss After Tax

☒ 1 4 3 1 5 1

"Please tick appropriate box + for Profit, - for Loss"

Basic and Diluted Earning Per Share in `

 2 3 . 6 0

Total Expenditure

 1 5 5 2 3 1

+ - Profit/Loss Before Tax

☒ 4 0 2 7 1

Interim Dividend rate %

 1 8 0

V. Generic Names of Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code)

 N A

Product Description

 H O T E L

Item Code No. (ITC Code)

 N A

Product Description

 N I L

For and on behalf of the Board of Directors

Dr Niren Suchanti
Chairman

Navin Suchanti
CEO & Managing Director

Kunal Bose
Director

T K Banerjee
Company Secretary

Kolkata, May 28, 2013

EMAIL INTIMATION FORM

Members are requested to register their email address at the following email to enable the company to send you reports and accounts. Notices, etc. in electronic mode which will support green initiative in corporate governance :

tkb@sinclairshotels.com

Name of the Sole/First Holder

DPID & CLID No.

Regd. Folio No.

BANK DETAILS

Members are requested to submit bank details in the following format to ensure proper payment as well as to avoid fraudulent payment.

1. Regd. Folio No. : -----

2. Name : -----

3. Particulars of the Bank :

a. Name of the Bank : -----

b. Branch Address : -----

c. 9 digit MICR Code No. :

--	--	--	--	--	--	--	--	--

d. IFSC Code :

--	--	--	--	--	--	--	--	--

e. Account Type : Saving ☐ Current ☐ Cash Credit ☐

f. Account No. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(Please attach a photocopy of your blank cancelled Cheque)

g. Email Address :

h. Telephone No. :



DARJEELING



DOOARS



OOTY



PORT BLAIR

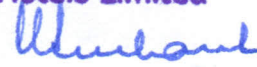
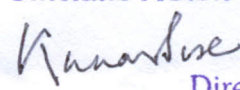
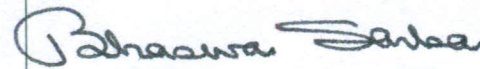


SILIGURI

Sinclairs Hotels Limited
Pressman House, 10A Lee Road, Kolkata 700 020
www.sinclairshotels.com

FORM A

(Covering letter of the annual audit report to be filed with the stock exchanges under Clause 31(a) of the Listing Agreement)

1.	Name of the Company:	Sinclairs Hotels Limited
2.	Annual financial statements for the period ended	March 31, 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	To be signed by: Navin Suchanti CEO & Managing Director	Sinclairs Hotels Limited  CEO & Managing Director
	Kunal Bose Audit Committee Chairman	Sinclairs Hotels Ltd  Director
	 Bhaswar Sarkar Partner Membership no. 55596 For S. R. Batliboi & Co. LLP Chartered Accountants Firm Registration no. 301003E (Statutory Auditors of the company)	