



**Annual Report  
2009-2010**



## ***CONTENTS***

Corporate Information	1
Notice	2
Directors' Report	3
Management Discussion and Analysis Report	5
Report on Corporate Governance	6
Auditors' Report	12
Financial Statements	14
Notes to Accounts	23
Balance Sheet Abstract	31

## CORPORATE INFORMATION

### Board of Directors

Dr Niren Suchanti, Chairman  
Navin Suchanti, CEO & Managing Director  
Siddhartha Yog  
Rohan Sikri  
Hardeep Sachdeva  
Kunal Bose  
Pallavi Puri  
Vikash Kuthari, Wholetime Director

### Company Secretary & Compliance Officer

Tapan Kumar Banerjee

### General Manager (Finance & Accounts)

B L Soni

### Auditors

S R Batliboi & Co.,  
Chartered Accountants

### Registered Office

56A Mirza Ghalib Street  
Kolkata 700 016

### Corporate Office

Pressman House,  
10A Lee Road  
Kolkata 700 020  
Phone: 2280-1317-20  
Fax: (033) 2280-0813  
Email: [kolkata@sinclairshotels.com](mailto:kolkata@sinclairshotels.com)

### Hotels & Resort

Hotel Sinclairs Siliguri  
Hotel Sinclairs Darjeeling  
Hotel Sinclairs Bayview Port Blair  
Hotel Sinclairs Ooty  
Sinclairs Retreat Dooars Chalsa

### Registrar & Transfer Agent

Niche Technologies Pvt Ltd  
D-511, Bagree Market  
71, B R B Bose Road ( Canning Street)  
Kolkata 700 001  
Phone : 2234-3576/2235-7270/7271/3070  
Fax : (033) 2215 6823  
Email: [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)

### Investor Information Website

[www.sinclairsindia.com](http://www.sinclairsindia.com)

## NOTICE

**Notice is hereby given that the Thirty-eighth Annual General Meeting of the company will be held at Rotary Sadan, 94/2 Jawharlal Nehru Road, Kolkata 700 020 on Friday, the 17th day of September, 2010 at 10:30 am to transact the following business :**

### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss account for the year ended 31st March, 2010 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 Hardeep Sachdeva, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr Rohan Sikri, who retires by rotation and being eligible, offers himself for re-appointment.
4. To confirm the payment of Interim Dividend on equity shares declared by the Board of Directors in its meeting held on 2nd February, 2010 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.

Regd. Office:  
56A Mirza Ghalib Street  
Kolkata 700 016

For and on behalf of the Board

T K Banerjee  
Company Secretary

Dated: 26th May, 2010

### 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, 10.09.2010 to Friday, 17.09.2010 (both days inclusive)
3. The Board of Directors in its meeting held on 2nd February, 2010 had declared Interim Dividend of Rs.2.50 (25%) per equity share and paid the same to those members or their mandatees, whose names stood registered as beneficial owners/members of the Company as on 12th February, 2010.
4. Members holding their shares in physical form are requested to convert their shares into dematerialised form. (ISIN INE985A01014).
5. Members are requested to inform of any change in their address immediately, mentioning their folio number.
6. 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 least 10 days before the date of meeting at the registered office, so that the same may be attended to appropriately.
7. A copy of Balance Sheet, Profit and Loss Account, Auditors' Report and every other documents 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 before the date of Annual General Meeting and is also available on the website of the Company ([www.sinclairsindia.com](http://www.sinclairsindia.com))
8. Brief resume of the directors to be re-appointed are disclosed in corporate governance report.

## DIRECTORS' REPORT

### TO THE MEMBERS OF SINCLAIRS HOTELS LIMITED

Your Directors have pleasure in presenting the Thirty-eighth Annual Report of the company together with the Audited Accounts for the year ended 31st March, 2010.

### FINANCIAL HIGHLIGHTS

(Rs. in lacs)

Sl. No.	Particulars	Yearended 31.03.2010	Yearended 31.03.2009
1	Gross Income	1604.17	1605.51
2	Profit before depreciation and tax	632.94	589.01
3	Depreciation	132.33	132.22
4	Profit before tax	500.61	456.79
5	Provision for taxation	157.18	118.98
6	Profit after tax	343.43	337.81
7	Profit brought forward	96.99	9.18
8	Profit available for appropriation	440.42	346.99
9	Transfer to General Reserve	50.00	250.00
10	Interim Dividend	151.63	-
11	Tax on Dividend	25.77	-
12	Balance carried to Balance Sheet	213.02	96.99
		440.42	346.99

### OPERATIONS AND PERFORMANCE

The year under review was a difficult one for the Indian tourism industry. The Indian industry and business was in the grip of recessionary trends and both business and pleasure travel sectors were adversely impacted. Though the gross income was almost at the same level as last year, the profit before tax increased to Rs 500.61 lacs as compared to Rs 456.79 lacs last year, reflecting a growth of 9.5%. Similarly the profit after tax was higher at Rs 343.43 lacs as compared to Rs 337.81 lacs last year.

Your company has always enjoyed the trust and confidence of the shareholders. Your directors are extremely pleased to announce that your company is now back in the dividend list.

Your company continued to invest in its properties to ensure better guest facilities and enhancement in service standards. Your company is pursuing an aggressive sales strategy to achieve higher occupancies.

The local problems in Darjeeling district are affecting the movement of tourists in the region and this impacted the sales and profitability of the North Bengal units.

### FUTURE PLANS

The company's luxury resort project in Kalimpong is now under implementation and civil work has started at the site from February this year. In terms of the present schedule, it

is expected that the luxury resort will be operational by December 2012. Being located in D category backward district, the project will be entitled to both fiscal and tax benefits.

Your company has also finalized a luxury tourist project at Burdwan. The company has been allotted two acres of land for the project. Initially a 20 room property is being set up with extensive recreation facilities. The project is a part of the township Renaissance being promoted by the Bengal Shraichi group in joint sector with Burdwan Development Authority. We have signed a term sheet with Bengal Shraichi whereby the resort's recreational facilities will be available for use to the residents of the township. The construction of the project is likely to commence in June 2010 and it is expected to be operational by December 2012.

Your company has also finalized land for its flagship project of setting up a luxury four star business hotel in Kolkata.

With the implementation of the three projects, the total number of keys will be close to 500.

### DIVIDEND

Your Directors have paid during the year interim dividend @ 25% (Rs 2.50 per equity share of Rs 10) on 6,065,222 equity shares amounting to Rs 17,740,016 (Rupees one crore seventyseven lacs forty thousand sixteen only) inclusive of dividend distribution tax. However, in view of the growth plans, the Board does not recommend any further dividend.

### DIRECTORS

We report with profound grief and sorrow, the untimely demise of our Director Rohan Suchanti. The contribution of Rohan Suchanti to the growth of the company was immense. He played a pivotal role in enabling the company to embrace technology in a major way.

Mr Kunal Bose was appointed as a Director in the casual vacancy caused by sad and untimely demise of Rohan Suchanti on 16th November, 2009.

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

### SUBSIDIARY COMPANY

Sinclairs Management Education Co. Private Limited ceased to be a subsidiary effective 30th September, 2009.

### AUDITORS

M/s S R Batliboi & Co., Chartered Accountants retire by rotation and being eligible offer themselves for reappointment.

### CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement with Stock Exchanges, a Report on Corporate Governance is attached elsewhere in this Annual Report along with the Auditors' Certificate on the compliance thereof.

**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 from time to time, 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 fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) that the directors have taken proper and sufficient care for the maintenance of adequate 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 also 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 Rs.5,879,190 in foreign exchange (previous year Rs.3,374,734). There was expenditure in foreign currency of Rs.760,225 (previous year Rs.2,123,114).

**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, 1956 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:  
56A Mirza Ghalib Street  
Kolkata 700 016  
Dated : 26th May, 2010

For and on behalf of the Board  
  
Dr Niren Suchanti  
Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We submit herewith the management discussion and analysis report on the business of the company.

### Industry Structure and Development

The state of the economy will necessarily have a major bearing on the hospitality industry. In a globalised world, domino effect is practically unavoidable. Even then, much because of the wisdom of our policymakers, the Indian economy did not go into a spin when most of the world experienced the memory's worst recession. It is no mean achievement for the country to have achieved a GDP growth of nearly 7.5 per cent in 2009-10, the second highest rate of growth in the world. If the world does not lapse into another recession as is feared by many in the context of the crisis in Eurozone then there is no reason why India should not be registering a sustainable double digit GDP growth rate. That will have a positive impact on the hospitality industry and justify the investments being made in building tourism infrastructure and expanding hotel capacity.

The year gone by was marked by healthy movement of domestic travellers while inbound tourism picked up only towards the end coinciding with the world's major economies registering growth for three quarters in a row. But the environment was such that tourists, both domestic and foreign were driving hard bargains over hotel room tariff. The tourism scene has, however, started changing for the better. Airlines are carrying more passengers, hotel occupancy rate is improving, there is more bounce in corporate travel and hotels are hosting more conferences and seminars. Hopefully, all this will result in improved earnings for hotels.

The industry has reasons to be happy that the central and state governments in their appreciation of the good that tourism could do to the economy, foreign exchange earnings and employment generation are offering tax breaks and incentive packages. At the same time, the proposed massive investments in infrastructure, including building of new airports and roads will benefit tourism.

### Opportunities and Threats

The year 2009-10 was difficult for the Indian Tourism industry. The future, however, appears bright. According to a Tourism Satellite Accounting (TSA) Research Report released by the World Travel & Tourism Council (WTTC), the demand for travel and tourism in India is expected to grow 82% between 2010 and 2019. This will place India in the third position in the world tourism pecking order. The report also expects India to become the world's fifth fastest growing business travel destination with an estimated annual growth rate of 7.6%.

The Country Brand Index, a leading global brand consultancy firm, ranks India as the 'Best Country Brand for value-for-money'. It also comes second in the category 'Best country Brand for History'. No less significant is India figuring in the list of 'rising stars' or the countries that are likely to become major tourist destinations in the next five years.

While all these are positive indicators for the tourism industry here, a major cause for concern is the limited availability of trained manpower.

According to the TSA Research Report, India's travel and tourism sector is expected to be the second largest employer in the world, engaging over 40 million people. The industry, will, therefore, have to seriously look at building in house training infrastructure to ensure that it is able to meet the needs.

The continuing uncertainty in North Bengal and the adjoining hill areas remains a cause for concern for the industry in the region.

### Outlook

The outlook for the current year is encouraging.

The massive investment in rail and road infrastructure will lead to better connectivity and facilitate growth of tourism in the country.

The Government of India has also undertaken an extensive campaign globally to promote India as a tourist destination. It is expected that there will be a growth in international tourist arrivals also.

### 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 greater resilience in the unlikely event of any regional disturbances or natural calamities.

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

### Internal control system 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 of providing protection against misuse or loss of the company's assets. The systems and processes are continually reviewed for its 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 has taken all adequate and necessary steps from time to time to maintain a competitive, healthy and harmonious work environment at all levels.

## 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 practices.
- Effective management control by Board.
- Adequate representation of promoter, executive and independent directors on the Board.
- Accountability for performance.
- Monitoring of executive performance by the Board.

- Compliance of laws.
- Transparent and timely disclosure of financial and management information.

### II. BOARD OF DIRECTORS

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

During the financial year 2009-2010, eight meetings of the Board were held. These meetings were held on 8th April, 2009, 26th June, 2009, 31st July, 2009, 17th September, 2009, 30th October, 2009, 19th December, 2009, 28th January, 2010 and 2nd February, 2010.

#### Details and other particulars of Directors are given below :

Name	Designation	Category	Equity Shareholding in the Company
Dr Niren Suchanti	Chairman	Non-Executive Director	281915
Mr Navin Suchanti	CEO and Managing Director	Executive Director	306320
Mr Siddhartha Yog	Director	Non-Executive Independent Director	Nil
Mr Rohan Sikri	Director	Non-Executive Independent Director	Nil
Mr Hardeep Sachdeva	Director	Non-Executive Independent Director	Nil
Mr Kunal Bose	Director	Non-Executive Independent Director	Nil
Ms Pallavi Puri	Director	Non-Executive Independent Director	Nil
Mr Vikash Kuthari	Wholetime Director	Executive Director	1000

#### 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 Sucnanti	8	7	No	7	Nil
Mr Navin Suchanti	8	8	Yes	7	Nil
Mr Siddhartha Yog	8	5	No	Nil	Nil
Mr Rohan Sikri	8	7	No	Nil	Nil
Mr Hardeep Sachdeva	8	5	Yes	1	Nil
Mr Rohan Suchanti*	8	1	No	3	Nil
Mr Vikash Kuthari	8	5	No	Nil	Nil
Ms Pallavi Puri**	8	1	No	Nil	Nil
Mr Kunal Bose #	8	3	No	Nil	Nil

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

\* Ceased on 16th November, 2009

\*\* Appointed on 18th July, 2009

# Appointed on 19th December, 2009



### DETAILS OF DIRECTORS SEEKING REAPPOINTMENT

Brief resume of the director/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 Hardeep Sachdeva	Mr Rohan Sikri
Date of Birth	25.10.1971	17.10.1974
Date of appointment	18.12.2007	18.12.2007
Qualification	LL.B	MBA
Expertise in specific functional area	16 years experience in advising on major corporate acquisitions, joint venture, restructuring foreign inward investment, Corporate Law, Monopolies & Restrictive Trade Practices Act, 1961 and other related statutes. He is a partner of AZB & Partners, Advocates & Solicitors.	11 years experience in real estate, corporate finance and investment advisory. He is Managing Director of Xander Advisors India Pvt. Ltd.
Directorships held in Other Public Companies (excluding foreign companies, and section 25 Companies)	1	Nil
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, *interalia*, the following mandate:

1. To oversee the Company's financial reporting process and disclosure of its financial information and 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 before submission to the Board for approval.
5. To review the Company's financial and risk management policies.

6. To review statement of significant related party transactions, management letters/letters of internal control weaknesses.

#### Composition

Hardeep Sachdeva - 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 2009-2010, five meetings of the committee were held on 8th April, 2009, 26th June, 2009, 31st July, 2009, 30th October, 2009 and 28th January, 2010. The time gap between two meetings was less than four months.

Members	Meetings held	Meetings attended
Hardeep Sachdeva	5	5
Navin Suchanti	5	5
Rohan Sikri	5	5

### 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, *inter alia*, 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)  
 Rohan Sikri - Member (Non-Executive Independent Director)  
 Hardeep Sachdeva - Member (Non-Executive Independent Director)

#### Secretary

- T K Banerjee - Company Secretary

### A. Executive Director

Details of remuneration paid to Executive Directors for the financial year ended

31st March, 2010:

Particulars	Mr Navin Suchanti CEO & Managing Director	Mr Vikash Kuthari Wholetime Director
Salary and Allowances	-	Rs 672,000
Contribution to PF and Family Pension Fund	-	Rs 57,600
Bonus	-	Rs 96,000
Commission	Rs 10,01,229	-
Service Contract	5 years(01.04.2006 to 31.03.2011)	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 Rs. 5000 and for Audit Committee Meeting, the fee is Rs. 2500.

### V. INVESTORS' GRIEVANCE COMMITTEE

#### Terms of Reference

The 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)  
 Rohan Suchanti\* - Member (Non-Executive Director)  
 Kunal Bose\*\* - Member (Non-Executive Independent Director)

\* Ceased on 16th November, 2009

\*\* Appointed on 2nd February, 2010

#### Secretary

- T K Banerjee - Company Secretary

#### Meeting and attendance during the year

During the financial year 2009-2010, one meeting of the committee was held on 30th October, 2009.

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

#### Name & Designation of Compliance Officer

T K Banerjee, Company Secretary

### VI. SHAREHOLDERS' MEETINGS

Details of Annual General Meeting/EGM held in last three years:

Year	Date	Venue	Time
2006-07	15.09.2007	Rotary Sadan 94/2 J L Nehru Road Kolkata 700020	10:30 am
EGM	08.11.2007	Rotary Sadan 94/2 J L Nehru Road Kolkata 700020	10:30 am
2007-08	13.08.2008	Rotary Sadan 94/2 J L Nehru Road Kolkata 700020	10:30 am
2008-09	19.09.2009	Kala Kunj 48 Shakespeare Sarani Kolkata 700 017	10:30 am

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

1.	15.09.2007	AGM	Issue of further Equity Shares
2.	08.11.2007	EGM	Issue of further Equity Shares on preferential basis
3.	13.08.2008	AGM	Nil
4.	19.09.2009	AGM	Nil

No special resolution was put through postal ballot last year.

## VII. DISCLOSURES

- There were no material and significant related party transactions, with its promoters, the directors or the management, their subsidiaries 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 Schedule 17 Note 6 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

Sinclair's Management Education Co. Pvt Ltd ceased to be a subsidiary w.e.f. 30th September, 2009

### CFO

Mr Navin Suchanti, in addition to his responsibility as CEO and Managing Director is also 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 in the company to determining the tenure of independent directors.

#### ii. Shareholders Rights

Half yearly financial results including summary of the significant events are presently not being sent to shareholders of the company.

#### iii. Audit qualifications

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

#### iv. Training of Board Members

Considering the nature and risk profile of the business of the company, the Board members are persons of excellent professional standing/business experience and they are eminently 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 www.sinclairindia.com and on website of BSE.

## IX. GENERAL SHAREHOLDER INFORMATION

### a. Annual General Meeting :

Date	Day	Venue	Time
17.09.2010	Friday	Rotary Sadan 94/2 J L Nehru Road Kolkata 700 020	10:30 am

### b. Financial Calendar (tentative) :

Results for quarter ending June 30,2010	Within 14th August , 2010
Results for quarter ending September 30,2010	Within 14th November, 2010
Results for quarter ending December 31, 2010	Within 14th February , 2011
Results for quarter ending March 31,2011	Within 30th May, 2011
AGM for the year ending March 31, 2011	By end of September, 2011

### c. Book Closure :

10th September, 2010 to 17th September, 2010  
(both days inclusive)

### d. Stock Exchange Listing :

The Bombay Stock Exchange Ltd (BSE),  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai 400 001.

BSE Scrip Code : 523023

The Calcutta Stock Exchange Ltd  
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 Directors have paid an interim dividend @ 25% (Rs 2.50 per equity share of Rs 10) on 6,065,222 equity shares amounting to Rs 17,740,016 (Rupees one crore seventyseven lacs forty thousand sixteen only) inclusive of dividend distribution tax. However, in view of the growth plans, the Board does not recommend any further dividend.

### e. Market price data :

Monthly high/low (Rs./share) during 2009-2010)

Market data at Bombay Stock Exchange Ltd, (BSE)

Month	Share Prices at BSE		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2009	180.35	164.40	11492.10	9546.29
May, 2009	178.25	160.55	14930.54	11621.30
June, 2009	177.95	161.00	15600.30	14016.95
July, 2009	176.30	161.80	15732.81	13219.99
August, 2009	170.00	165.00	16002.46	14684.45
September, 2009	171.90	162.90	17142.52	15356.72
October, 2009	192.00	158.00	17493.17	15805.20
November, 2009	190.50	155.30	17290.48	15330.56
December, 2009	184.90	162.50	17530.94	16577.78
January, 2010	187.00	166.00	17790.33	15982.08
February, 2010	191.00	175.75	16669.25	15651.99
March, 2010	185.90	168.00	17793.01	16438.45

**f. Registrar and Transfer Agent :**

Niche Technologies Pvt Ltd  
 D-511, Bagree Market  
 71, BRBB Road, Kolkata 700 001  
 Phoe : 22343576, 22357270/7271  
 Fax : 22156823  
 Email : nichetechpl@nichetechpl.com

**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 approves 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.	%
Upto 500	2307	98.5897	97431	1.6064
501-1000	17	0.7265	13602	0.2243
1001-5000	5	0.2137	11023	0.1817
5001-10000	2	0.0855	14367	0.2369
10001-50000	1	0.0427	33000	0.5441
50001-100000	1	0.0427	56506	0.9316
100001 & above	7	0.2991	5839293	96.2750
<b>Total</b>	<b>2340</b>	<b>100.00</b>	<b>6065222</b>	<b>100.00</b>

Category	No.	%
Promoters	3132878	51.653
Mutual Funds, UTI	Nil	Nil
Banks, FIs, Insurance Cos, Govt. & Non-Govt. Institutions	2205	0.036
Private Corporate Bodies	48196	0.795
Public (Indian)	116041	1.913
NRIs / OCBs	2134	0.035
Foreign Companies	2763221	45.558
Clearing Member	547	0.009
<b>Total</b>	<b>6065222</b>	<b>100.00</b>

**i. Dematerialisation of shares :**

Out of total paid-up capital of 6065222 equity shares as on 31st March, 2010, 5956689 equity shares (98.21%) and 22623 equity shares (0.37%) are held in dematerialised form at NSDL and CDSL respectively.

**j. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

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

**k. Location of hotels and resort :**
**Hotels Sinclairs Siliguri :**

PO Pradhan Nagar, Siliguri 734 403  
 Phones 2517674,2512675,2512440  
 Fax : (0353) 2517743  
 Email : siliguri@sinclairshotels.com

**Hotel Sinclairs Darjeeling :**

18/1, Gandhi Road, Darjeeling 734 101  
 Phones : 2256431,2256432,2256948,2256949  
 Fax : (0354) 2254355  
 Email : darjeeling@sinclairshotels.com

**Sinclairs Retreat Dooars :**

Chalsa Hiltop, Jalpaiguri 735 206  
 Phone : 260282  
 Fax : (03562) 260282  
 Email : dooars@sinclairshotels.com

**Hotel Sinclairs Ooty :**

Gorishola Road,  
 Ootacamund 643 001  
 Phones : 2444309,2441376-80  
 Fax : (0423) 2444229  
 Email : ooty@sinclairshotels.com

**Hotel Sinclairs Bayview :**

South Point, Port Blair,  
 Andaman Islands 744 106  
 Phones : (03192) 227824, 227937  
 Email : portblair@sinclairshotels.com

**Projects under implementation :**
**Sinclairs Retreat Kalimpong**

Kalimpong Khash Mahal  
 6th Mile, Dist. Darjeeling  
 Kalimpong 734301

**Sinclairs Tourist Resort, Burdwan**

Plot No High Street –1  
 Burdwan Sadar  
 Belkash Gram Panchyat  
 Burdwan 713102

**l. Address for Correspondence :**

Compliance Officer  
 Sinclairs Hotels Limited  
 Pressman House  
 10A Lee Road  
 Kolkata 700 020  
 Phone No. (033) 2280 1317-20  
 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 Ltd ( the Company) for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreements 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 statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in 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.**  
**Firm Registration Number 301003E**  
**Chartered Accountants**

Place : Kolkata  
 Date : 26th May, 2010

per R K Agrawal  
 Partner  
 Membership No : 16667

### 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, to the best of my knowledge and belief, hereby declare that all Board members and senior management

personnel have affirmed compliance with the Company's code of conduct for the year ended 31st March, 2010.

Kolkata  
 26th May, 2010

Navin Suchanti  
 CEO & Managing Director

## AUDITORS' REPORT

To

**The Members of Sinclairs Hotels Limited**

1. We have audited the attached Balance Sheet of Sinclairs Hotels Limited ('the Company') as at March 31, 2010 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. 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;
  - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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, 2010;
    - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
    - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

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

per R K Agrawal  
 Partner

Place : Kolkata  
 Date : 26th May, 2010

Membership No : 16667

### ANNEXURE TO THE REPORT OF THE AUDITORS

(REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF SINCLAIRS HOTELS LIMITED (THE COMPANY) AS AT AND FOR THE YEAR ENDED MARCH 31, 2010)

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Fixed assets have been physically verified by the management under a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Further, no material discrepancies were noticed on such verification during the year.
  - (c) There was no substantial disposal 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) The Company has neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (b) to (d), (f) and (g) of the paragraph 4 of the Order are not applicable to the Company.

- (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, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (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 and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (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 undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there are no dues outstanding on account of income-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, except for sales tax as follows:

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax Act,	Turnover Tax and Sales Tax , interest etc.	29.97 lacs	1994-95, 2002-03, 2005-06 & 2006-07	Deputy Commissioner of Sales Tax, Siliguri

- (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, the Company neither had any loan at the beginning of the year, nor did it avail any loan during the year from any financial institution or bank. The Company has not issued any debenture.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any 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 Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (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 made preferential allotment of equity shares during the year to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which such shares have been issued, is not prejudicial to the interest of the Company.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through 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 course of our audit.

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

per R K Agrawal  
 Partner

Place : Kolkata  
 Date : 26th May, 2010

Membership No : 16667

## BALANCE SHEET

### AS AT 31ST MARCH, 2010

	Schedule	As at 31st March 2010 Rs	As at 31st March 2009 Rs
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Fund</b>			
a) Share Capital	1	60,652,220	46,585,930
b) Equity Share Warrants (Refer Note 16, Schedule 17)		-	54,716,793
c) Reserves and Surplus	2	732,917,620	487,977,962
<b>Deferred Tax Liabilities (Net)</b> (Refer Note 19, Schedule 17)		43,270,566	44,252,427
<b>TOTAL</b>		<b>836,840,406</b>	<b>633,533,112</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	3A	438,237,463	426,397,959
Less : Accumulated Depreciation / Amortization		153,037,053	140,108,873
a) Net Block		285,200,410	286,289,086
b) Capital Work-in-Progress	3B	18,198,478	12,977,190
		303,398,888	299,266,276
<b>Investments</b>	4	154,270,988	321,780,732
<b>Current Assets, Loans and Advances</b>			
a) Inventories	5	1,993,014	1,705,770
b) Sundry Debtors	6	4,727,149	2,917,933
c) Cash and Bank Balances	7	364,724,004	16,911,583
d) Other Current Assets	8	12,989,135	158,856
e) Loans and Advances	9	6,701,369	8,470,821
		391,134,671	30,164,963
<b>Less : Current Liabilities and Provisions</b>	10		
a) Current Liabilities		11,674,258	17,438,031
b) Provisions		289,883	240,828
<b>Net Current Assets</b>		<b>379,170,530</b>	<b>12,486,104</b>
<b>TOTAL</b>		<b>836,840,406</b>	<b>633,533,112</b>

**Significant Accounting Policies and Notes on Accounts** 17

**The schedules referred to above form an integral part of the Balance Sheet.**

As per our report of even date

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

per R. K. Agrawal  
 Partner  
 Membership No. 16667  
 Kolkata, 26th May 2010

For and on behalf of the Board of Directors

Dr Niren Suchanti  
 Chairman

Navin Suchanti  
 CEO & Managing Director

Rohan Sikri  
 Director

Hardeep Sachdeva  
 Director

T. K. Banerjee  
 Company Secretary



## PROFIT AND LOSS ACCOUNT

### FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedules	2009-10 Rs	2008-09 Rs
<b>INCOME</b>			
Income from Guest Accommodation, Restaurants, Bar and Other Services	11	<b>135,046,876</b>	132,943,629
Other Income	12	<b>25,370,486</b>	27,607,319
<b>TOTAL</b>		<b>160,417,362</b>	160,550,948
<b>EXPENDITURE</b>			
Food, Beverage and Stores Consumed	13	<b>17,509,998</b>	17,071,839
Personnel Expenses	14	<b>17,983,178</b>	18,645,715
Operating and Other Expenses	15	<b>61,630,071</b>	65,932,136
Depreciation / Amortization	16	<b>13,232,682</b>	13,222,478
<b>TOTAL</b>		<b>110,355,929</b>	114,872,168
<b>Profit before Tax</b>		<b>50,061,433</b>	45,678,780
<b>Provision for Tax</b>			
Current Tax		<b>16,700,000</b>	11,900,000
Deferred Tax Charge / (Credit)		<b>(981,861)</b>	(112,905)
Fringe Benefit Tax		-	111,000
<b>Total Tax Expense</b>		<b>15,718,139</b>	11,898,095
<b>Profit after Tax</b>		<b>34,343,294</b>	33,780,685
Balance brought forward		<b>9,698,997</b>	918,312
<b>Profit available for Appropriations</b>		<b>44,042,291</b>	34,698,997
<b>Appropriations</b>			
Transfer to General Reserve		<b>5,000,000</b>	25,000,000
Interim Dividend		<b>15,163,055</b>	-
Tax on Dividend		<b>2,576,961</b>	-
Surplus carried to Balance Sheet		<b>21,302,275</b>	9,698,997
		<b>44,042,291</b>	34,698,997
<b>Earnings Per Share</b>			
[Nominal Value per share Rs10]			
Basic		<b>5.69</b>	7.52
Diluted		<b>5.69</b>	7.25
(Refer Note 18, Schedule 17)			

Significant Accounting Policies and Notes on Accounts 17

The schedules referred to above form an integral part of the Profit and Loss Account.

As per our report of even date

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

per R. K. Agrawal  
Partner  
Membership No. 16667  
Kolkata, 26th May, 2010

For and on behalf of the Board of Directors

Dr Niren Suchanti  
Chairman

Navin Suchanti  
CEO & Managing Director

Rohan Sikri  
Director

Hardeep Sachdeva  
Director

T. K. Banerjee  
Company Secretary

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED 31ST MARCH, 2010

	2009-10 Rs.	2008-09 Rs.
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Taxes	50,061,433	45,678,780
<b>Adjustment For :</b>		
Depreciation / Amortization	13,232,682	13,222,478
Provision made/ (written back) for diminution in the value of current investments	(25,955)	25,955
Profit on disposal of investments	(4,657,932)	(3,256,341)
Interest Income	(14,530,231)	(12,181,880)
Dividend Income	(5,124,682)	(10,986,083)
Sundry Balances written off	142,831	161,165
Loss on Sale of Fixed Assets	49,934	535,500
Liabilities no longer required written back	(9,020)	(337,168)
<b>Operating profit before working capital changes</b>	<b>39,139,060</b>	<b>32,862,406</b>
Movements in working capital :		
Trade and Other Receivables	653,135	3,486,259
Inventories	(2,096,460)	2,723,386
Trade and Other Payables	(6,158,904)	(6,437,078)
Cash Generated From Operation	31,536,831	32,634,973
Direct taxes paid (net)	(15,296,308)	(11,796,080)
<b>Net Cash Flow from Operating Activities</b>	<b>16,240,523</b>	<b>20,838,893</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(17,743,174)	(24,532,631)
Sale of Fixed Assets	87,115	134,500
Proceeds from / (Investment In) Subsidiary Company	94,000	(94,000)
(Advance)/ Refund of advance from a Subsidiary Company	23,000	(23,000)
Purchase of Non Trade Investments	(563,150,000)	(321,631,437)
Proceeds from Redemption of Non Trade Investment	735,249,630	109,979,535
Term Deposits with Banks	(359,951,000)	(621,900)
Inter Corporate Deposit paid	-	(200,000,000)
Inter Corporate Deposit received back	-	200,000,000
Interest Income	1,699,952	9,468,888
Dividend Income	5,124,682	10,986,083
<b>Net Cash used in Investing Activities</b>	<b>(198,565,795)</b>	<b>(216,333,962)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issuance of Share Capital / Equity Share Warrants	187,926,709	205,673,337
Dividend Paid	(15,163,055)	-
Tax on Dividend paid	(2,576,961)	-
<b>Net Cash from Financing Activities</b>	<b>170,186,693</b>	<b>205,673,337</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(12,138,579)</b>	<b>10,178,268</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>15,028,546</b>	<b>4,850,278</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,889,967</b>	<b>15,028,546</b>
<b>Components of cash and cash equivalents as at the end of the year</b>		
Cash in hand	308,304	288,397
Balances with Scheduled Banks :		
On Current Accounts	2,458,881	14,740,149
On Term Deposit Accounts	361,834,037	1,883,037
On Unclaimed Dividend Account*	122,782	-
Cash and Bank Balances as per schedule 7	364,724,004	16,911,583
Less : Term deposits not considered as cash equivalents (Over three months maturity)	361,834,037	1,883,037
	<b>2,889,967</b>	<b>15,028,546</b>

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

As per our report of even date

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

For and on behalf of the Board of Directors

per R. K. Agrawal  
 Partner  
 Membership No. 16667  
 Kolkata, 26th May, 2010

Dr Niren Suchanti  
 Chairman

Navin Suchanti  
 CEO & Managing Director

Rohan Sikri  
 Director

Hardeep Sachdeva  
 Director

T. K. Banerjee  
 Company Secretary

## SCHEDULES

### (FORMING PART OF THE BALANCE SHEET)

	As at 31st March, 2010 Rs	As at 31st March, 2009 Rs
<b>SCHEDULE 1 : Share Capital</b>		
<b>Authorized</b>		
15,000,000 Equity Shares of Rs 10/- each	<b>150,000,000</b>	150,000,000
5,000,000 Redeemable Preference Shares of Rs 10/- each	<b>50,000,000</b>	50,000,000
	<b>200,000,000</b>	200,000,000
<b>Issued, Subscribed and Paid Up</b>		
<b>6,065,222</b> (4,658,593) Equity Shares of Rs 10/- each fully paid up	<b>60,652,220</b>	46,585,930
<p>Of the above, 927,953 Equity Shares of Rs 10/- each were allotted as fully paid up pursuant to contracts for consideration other than cash in earlier years.</p>		
<b>SCHEDULE 2 : Reserves and Surplus</b>		
<b>Capital Reserve</b>		
Amalgamation Reserve		
Balance as per Last Account	<b>7,279,767</b>	7,279,767
<b>Revaluation Reserve</b>		
Balance as per Last Account	<b>51,273,920</b>	51,514,752
Less: Transferred to Profit and Loss Account	<b>240,832</b>	240,832
	<b>51,033,088</b>	51,273,920
<b>Capital Investment Subsidy</b>		
Balance as per Last Account	<b>8,136,724</b>	8,136,724
<b>Capital Redemption Reserve</b>		
Balance as per Last Account	<b>12,280,000</b>	12,280,000
<b>Securities Premium Account</b>		
Balance as per Last Account	<b>280,828,373</b>	97,424,860
Received during the year	<b>228,577,212</b>	183,403,513
	<b>509,405,585</b>	280,828,373
<b>General Reserve</b>		
Balance as per Last Account	<b>118,480,181</b>	93,480,181
Transferred from Profit and Loss Account	<b>5,000,000</b>	25,000,000
	<b>123,480,181</b>	118,480,181
<b>Balance in Profit and Loss Account</b>	<b>21,302,275</b>	9,698,997
	<b>732,917,620</b>	487,977,962

**SCHEDULES (FORMING PART OF BALANCE SHEET)**
**SCHEDULE 3A : Fixed Assets**

Rs.

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 31st March 2009	Additions	Deductions/ Adjustments	As at 31st March 2009	For the year	Less on deduction/ Adjustments	As at 31st March 2010	As at 31st March 2010	As at 31st March 2009
<b>Intangible Assets</b>									
Goodwill	15,300,249	-	-	6,120,101	2,295,037	-	8,415,138	6,885,111	9,180,148
<b>Tangible Assets</b>									
Land - Freehold	49,696,876	-	-	-	-	-	-	49,696,876	49,696,876
Land - Leasehold	2,765,576	3,978,788	-	391,092	27,935	-	419,027	2,346,549	2,374,484
Buildings	221,002,641	5,610,913	-	55,731,864	3,625,620	-	59,357,484	165,623,945	165,270,777
Plant and Machinery	59,182,254	5,610,913	500,000	32,812,908	2,687,864	372,343	35,128,429	29,164,738	26,369,346
Electrical Installation	12,076,536	673,138	-	6,370,973	575,113	-	6,946,086	5,803,588	5,705,563
Furniture, Fixtures and Office Equipments	61,640,508	2,034,938	-	37,009,070	3,817,585	-	40,826,655	22,848,791	24,631,438
Vehicles	4,733,319	224,110	182,383	1,672,865	444,360	172,991	1,944,234	2,830,812	3,060,454
<b>Total</b>	<b>426,397,959</b>	<b>12,521,887</b>	<b>682,383</b>	<b>140,108,873</b>	<b>13,473,514</b>	<b>545,334</b>	<b>153,037,053</b>	<b>285,200,410</b>	<b>286,289,086</b>
<b>Previous Year's Total</b>	411,316,007	17,364,813	2,282,861	128,258,424	13,463,310	1,612,861	140,108,873	286,289,086	

Notes : Land and Building situated at Siliguri and Darjeeling were revalued in the year 1993, the total increase on such revaluation being Rs 5,07,59,430. Land and Buildings situated at Port Blair were revalued in the year 1994 resulting in a net increase of Rs 1,37,35,921. These amounts have been added to the relevant fixed assets with a corresponding credit to Revaluation Reserve Account.

**SCHEDULE 3B : Capital Work-in-Progress and Pre-operative Expenditure Pending Allocation**
**Capital Work-in-Progress**

Building  
Land development expenses  
Capital Advances

Sub Total (A)

**Pre-operative Expenditure Pending Allocation**
**Opening Balance**
**Additions**

Travelling and Conveyance  
Telephone and Postage Charges  
Printing and Stationery  
Legal and Professional Charges  
Miscellaneous Expenses

Sub Total (B)

**Total (A+B) :**

As at 31st March, 2010	As at 31st March, 2009
Rs	Rs
11,949,333	9,296,360
1,364,932	1,225,930
4,603,416	2,291,373
17,917,681	12,813,663
163,527	-
70,247	103,459
300	-
2,822	-
-	17,840
43,901	42,228
280,797	163,527
18,198,478	12,977,190

**SCHEDULES (FORMING PART OF THE BALANCE SHEET)**

	No. of Shares / Units	Face Value Rs.	As at 31st March, 2010 Rs	As at 31st March, 2009 Rs
<b>SCHEDULE 4 : Investments</b>				
<b>Long Term (At cost)</b>				
<b>Trade</b>				
<b>Unquoted</b>				
<b>In Equity Shares (Fully paid up)</b>				
<b>In Subsidiary Company</b>				
Sinclairs Management Education Co Pvt Ltd	-	-	-	94,000
	(9,400)	10	-	94,000
<b>Current (At lower of cost and fair value)</b>				
<b>Other than trade</b>				
<b>Unquoted</b>				
<b>In units of Mutual Funds</b>				
HDFC Short Term Plan - Growth	<b>9,012,746</b>	10	<b>154,270,988</b>	30,400,000
	(1,827,231)			
Prudential ICICI Dynamic Plan - 15 - Cumulative - Growth	-	-	-	81,250
	(1,116)	10		
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale -Daily Dividend	-	-	-	53,535,457
	(5,336,735)	10		
SBI -SHF- Ultra Short Term Fund - Institutional Plan - Growth	-	-	-	237,695,980
	(23,757,719)	10		
			<b>154,270,988</b>	321,712,687
Less : Provision for diminution in value of investments			-	(25,955)
			<b>154,270,988</b>	321,686,732
<b>Total Investments</b>			<b>154,270,988</b>	321,780,732
Aggregate Value of Investments - Unquoted			<b>154,270,988</b>	321,780,732
NAV of Unquoted Investments in Mutual Funds			<b>162,163,637</b>	321,846,249

Note : Besides the above, the following units of Mutual Funds were purchased and sold during the year

Name of Mutual Fund	No. of Units 2009-10	No. of Units 2008-09
SBI-SHF-Ultra Short Term Fund - Institutional Plan -Daily Dividend	7,604,018	610,605
SBI-Magnum Insta Cash Fund - Daily Dividend	1,250,869	12,145,700
HDFC Short Term Plan - Growth	19,827,640	1,651,786
HDFC Short Term Plan - Dividend - Reinvest	11,724,915	-
SBI-SHF-Ultra Short Term Fund - Institutional Plan -Growth	16,774,890	-
HDFC Cash Management Fund - Treasury Advantage Plan-Retail-Growth	140,186	-
HDFC Cash Management Fund - Treasury Advantage Plan-Wholesale-Daily Dividend	1,913,419	-
HDFC Cash Management Fund - Treasury Advantage Plan-Wholesale-Growth	584,031	-
HDFC Cash Management Fund - Treasury Advantage Plan-Retail-Growth	1,864,487	-
HDFC Cash Management Fund - Savings Plan - Growth	-	8,594,519
HDFC Cash Management Fund - Savings Plus Plan - Retail - Monthly Dividend - Reinvest	-	300,599
HDFC Cash Management Fund - Savings Plus Plan - Wholesale -Growth	-	101,813
HDFC Cash Management Fund - Savings Plus Plan - Wholesale -Daily Dividend	-	4,070,274
HDFC Cash Management Fund - Savings Plus Plan - Wholesale -Monthly Dividend	-	2,280,140
HDFC FMP 90 D June 08 VIII (3) Dividend	-	400,000
HDFC FMP 90 D May 08 VIII (2) Wholesale Plan Dividend	-	1,000,000
HDFC FMP 90 D Sept 08 IX (3) Wholesale Plan Dividend	-	4,750,000
HDFC FMP 90 D Sept 08 IX (3) Retail Plan Dividend	-	400,000
Principal PNB FMP (FMP-55) 30D Series III - Oct 08	-	120,000
SBI Debt Fund Series 30 Days 4 Dividend	-	1,200,000

**SCHEDULES (FORMING PART OF THE BALANCE SHEET)**

	As at 31st March 2010 (Rs.)	As at 31st March 2009 (Rs.)
<b>SCHEDULE 5 : Inventories</b>		
<b>(At lower of cost and net realisable value)</b>		
Food, Beverage and Stores	1,061,471	924,486
Crockery and Cutlery	70,998	129,173
Linen, Curtains, Housekeeping and Others	860,545	652,111
	<b>1,993,014</b>	<b>1,705,770</b>
<b>SCHEDULE 6 : Sundry Debtors</b>		
<b>Unsecured, Considered Good</b>		
Debts outstanding for a period exceeding six months	772,435	385,182
Other Debts	3,954,714	2,532,751
	<b>4,727,149</b>	<b>2,917,933</b>
<b>SCHEDULE 7 : Cash and Bank Balances</b>		
Cash on Hand	308,304	288,397
Balances with Scheduled Banks on :		
Current Accounts	2,458,881	14,740,149
Term Deposit Accounts*	361,834,037	1,883,037
Unclaimed Dividend Account	122,782	-
	<b>364,724,004</b>	<b>16,911,583</b>
* Receipts aggregating to Rs 1,464,000 (Rs 1,464,000) pledged against Bank Guarantees and Rs 357,000 (Rs 357,000) pledged with the Registrar, Calcutta High Court		
<b>SCHEDULE 8 : Other Current Assets</b>		
<b>Unsecured, Considered Good</b>		
Interest accrued on deposits with banks and others	12,989,135	158,856
	<b>12,989,135</b>	<b>158,856</b>
<b>SCHEDULE 9 : Loans and Advances</b>		
<b>Unsecured, Considered good</b>		
Advances recoverable in cash or in kind or for value to be received	1,942,917	2,199,989
Advance to subsidiary	-	23,000
Balance with Excise and other Government Authorities	186,169	189,465
Deposit paid	691,039	773,431
Advance Income Tax (Net of Provisions)	3,881,244	5,284,936
	<b>6,701,369</b>	<b>8,470,821</b>
<b>SCHEDULE 10 : Current Liabilities and Provisions</b>		
<b>A. Current Liabilities</b>		
Sundry Creditors		
(a) Dues to Micro and Small Enterprises	-	-
(b) Other creditors	4,724,845	4,388,365
Advance from Customers	2,718,361	2,265,155
Deposits	231,794	122,000
Trade Deposit	3,500,000	10,500,000
Investor Education and Protection Fund (To be deposited as and when due)	122,782	-
Unclaimed Dividend	376,476	162,511
Other Liabilities	<b>11,674,258</b>	<b>17,438,031</b>
<b>B. Provisions</b>		
Provision for Gratuity	289,883	240,828
	<b>289,883</b>	<b>240,828</b>

**SCHEDULES (FORMING PART OF THE PROFIT AND LOSS ACCOUNT)**

	2009-10 Rs.	2008-09 Rs.
<b>SCHEDULE 11 : Income from Guest Accommodation, Restaurants, Bars and Other Services</b>		
Guest Accommodation, Restaurants and Bars	127,475,764	124,051,157
Other Services	7,571,112	8,892,472
	<b>135,046,876</b>	<b>132,943,629</b>
<b>SCHEDULE 12 : Other Income</b>		
Interest Income from Bank and Others (Gross) [Tax deducted at source Rs 1,430,199 (Rs 2,750,744)]	14,530,231	12,181,880
Dividend from Current Investments (Other than trade)	5,124,682	10,986,083
Profit on Redemption of Investments (Other than trade) :		
Long Term	7,842	441,600
Current	4,650,090	2,814,741
Rent Income	1,022,666	845,847
Liabilities no longer required written back	9,020	337,168
Provision for diminution in the value of investments written back	25,955	-
	<b>25,370,486</b>	<b>27,607,319</b>
<b>SCHEDULE 13 : Food, Beverage and Stores Consumed</b>		
Opening Stock	924,486	736,413
Purchases	17,646,983	17,259,912
	<b>18,571,469</b>	17,996,325
Closing Stock	(1,061,471)	(924,486)
	<b>17,509,998</b>	<b>17,071,839</b>
<b>SCHEDULE 14 : Personnel Expenses</b>		
Salaries, Wages and Bonus	15,946,171	16,235,479
Contribution to Provident and Other Funds	1,357,255	1,636,056
Workmen and Staff Welfare Expenses	679,752	774,180
	<b>17,983,178</b>	<b>18,645,715</b>

**SCHEDULES (FORMING PART OF THE PROFIT AND LOSS ACCOUNT)**

	2009-10 Rs.	2008-09 Rs.
<b>SCHEDULE 15 : Operating and Other Expenses</b>		
Operating and Upkeep Expenses	4,339,291	5,371,066
Power and Fuel	11,324,304	11,002,248
Rent	701,184	783,169
Rates and Taxes	2,581,175	2,429,010
Insurance	383,679	412,749
Repairs and Maintenance :		
Plant and Machinery	628,843	657,828
Buildings	9,314,665	11,320,353
Others	9,147,934	6,575,101
Advertisement and Sales Promotion	4,322,686	3,516,491
Commission	3,275,537	4,912,362
Travelling and Conveyance	1,769,018	1,166,695
Motor Car Expenses	1,062,822	1,052,288
Car and Other Hire Charges	2,137,245	1,927,944
Communication Costs	785,214	757,325
Printing and Stationery	869,937	527,136
Legal and Professional Fees	1,136,173	4,873,506
Directors' Fees	165,000	145,000
Directors' Remuneration	1,826,829	1,823,649
Auditors' Remuneration		
Statutory Audit	400,000	400,000
Limited Review	300,000	300,000
In Other Capacity for Certification	50,000	200,000
Reimbursement for Out-of-Pocket Expenses and Service Tax	134,451	120,966
Provision for diminution in the value of current investments	-	25,955
Sundry Balances written off	142,831	161,165
Loss on Sale of Fixed Assets	49,933	535,500
Miscellaneous Expenses	4,781,320	4,934,630
	<b>61,630,071</b>	<b>65,932,136</b>
<b>SCHEDULE 16 : Depreciation / Amortization</b>		
Depreciation / Amortization	13,473,514	13,463,310
Less :Transferred from Revaluation Reserve	240,832	240,832
	<b>13,232,682</b>	<b>13,222,478</b>



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### SCHEDULE 17

#### 1. NATURE OF OPERATIONS

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

#### 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis 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 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at 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) 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.

##### (d) Depreciation / Amortization

- i. Depreciation is provided using the Straight Line Method as per the useful life of the assets estimated by the management, which is equal to the rates prescribed under Schedule XIV of the Companies Act, 1956.
- 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 period of lease.
- iv. Depreciation on revalued assets is provided at the rates specified in Section 205(2)(b) 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 Section 205, depreciation is provided at the higher rates, to ensure the write off of these assets over their useful life.

##### (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 the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

##### (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 Profit and Loss account on a straight-line basis over the lease term.

##### (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.

**NOTES ON ACCOUNTS** (contd.)

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 a year 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.

**(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**

Revenues from services are recognised pro-rata over the period of the service as and when services are rendered.

**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. 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 and the contribution is charged to Profit and Loss Account of the year when the contributions to the funds are due. There are no obligations other than the contribution payable to the respective funds, i.e. Regional Provident Fund Commissioner.

(ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

(iii) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(iv) Short term compensated absences are provided for based on management estimates.

**(m) Income taxes**

Tax expense comprises of current, deferred and fringe benefit tax. 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 current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

## NOTES ON ACCOUNTS (contd.)

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised 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.

### (n) Segment Reporting

The Company has identified hoteliering as its sole operating segment and the same is treated as the primary segment. The Company at present, operates in India and therefore the analysis of geographical segments is not applicable to the Company.

### (o) Earnings Per Share

Basic earning per share is calculated by dividing the net result for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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 event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on 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) Cash and cash equivalents

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

## 3. 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.

## 4. CAPITAL COMMITMENT

(Amount in Rupees)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Estimated amount of contracts remaining to be executed on capital contract and not provided for (Net of Advances)	<b>186,575,344</b>	1,524,888

## 5. CONTINGENT LIABILITIES NOT PROVIDED FOR

(Amount in Rupees)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Sales Tax matters under dispute/appeal	<b>2,163,294</b>	711,344

**NOTES ON ACCOUNTS (contd.)**
**6. RELATED PARTY DISCLOSURES**
**(a) Names of related parties :**

Subsidiary Company (Upto September 30, 2009)	Sinclairs Management Education Co Pvt Ltd
Key Management Personnel	Mr Navin Suchanti (CEO & Managing Director) Mr Vikash Kuthari (Whole time Director)
Relatives of Key Management Personnel	Dr. Niren Suchanti (Chairman) Mr. Rohan Suchanti (Director, upto November 16, 2009)
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Pressman Properties Limited Pressman Advertising Limited Pressman Realty Limited Son-et-Lumiere Art Gallery Private Limited

**(b) Related Party Transactions :**

Particulars	Subsidiary Company	Key Management Personnel		Relatives of Key Management personnel		Enterprises owned or significantly influenced by Key management personnel or their relatives				Total
	Sinclairs Management Education Co Pvt Ltd	Mr. Navin Suchanti	Mr. Vikash Kuthari	Dr. Niren Suchanti	Mr. Rohan Suchanti	Pressman Properties Limited	Pressman Realty Limited	Son-et-Lumiere Art Gallery Private Ltd	Pressman Advertising Limited	
Investment in Equity Shares	- 94,000)									- (94,000)
Directors' Remuneration		<b>1,001,229</b> (950,049)	<b>825,600</b> (873,600)							<b>1,826,829</b> (1,823,649)
Directors' Sitting Fees				<b>35,000</b> (20,000)	<b>5,000</b> (20,000)					<b>40,000</b> (40,000)
Electricity Charges						<b>59,234</b> (61,859)				<b>59,234</b> (61,859)
Rent Expenses						<b>330,900</b> (336,565)	<b>231,636</b> (347,956)	<b>96,000</b> (56,000)		<b>658,536</b> (740,521)
Advertising Expenses									<b>3,397,490</b> (3,114,793)	<b>3,397,490</b> (3,114,793)
Receivable at year end	- (23,000)									- (23,000)
Payable at year end		<b>501,229</b> (450,049)							- (16,247)	<b>501,229</b> (466,296)

Figures given in brackets are the comparative amounts of last period

## NOTES ON ACCOUNTS (contd.)

### 7. GRATUITY PLAN

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on the basis of 15 days salary (last drawn salary) for each completed year of service, in terms of Payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

#### Profit and Loss Account

Particulars of net employee benefit expenses, recognised in Personnel Expenses

(Amount in Rupees)

Particulars	2009-10	2008-09
Current service cost	232,874	269,362
Interest cost on benefit obligation	206,562	217,812
Expected return on plan assets	(222,095)	(48,087)
Net actuarial loss recognised in the year	72,358	15,516
Past service cost	-	188,375
Net benefit expense	289,699	642,878
Actual return on plan assets	222,095	-

#### Balance Sheet

Details of Provision for Gratuity

(Amount in Rupees)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Defined benefit obligation	2,950,041	2,582,019
Fair value of plan assets	2,660,158	2,341,191
	289,883	240,828
Less: Unrecognized past service cost	-	-
Net asset / (liability)	(289,883)	(240,828)

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

(Amount in Rupees)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Opening defined benefit obligation	2,582,019	2,052,419
Interest cost	206,562	217,812
Current service cost	232,874	269,362
Benefits paid	(143,772)	26,910
Actuarial losses on obligation	72,358	15,516
Closing defined benefit obligation	2,950,041	2,582,019

**NOTES ON ACCOUNTS (contd.)**

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

(Amount in Rupees)

<b>Particulars</b>	<b>As at 31st March, 2010</b>	As at 31st March, 2009
Opening fair value of the plan assets	<b>2,341,191</b>	-
Expected return	<b>222,095</b>	48,087
Contributions by employer	<b>240,644</b>	2,374,607
Benefits paid	<b>(143,772)</b>	(81,503)
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	<b>2,660,158</b>	2,341,191

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

<b>Particulars</b>	<b>As at 31st March, 2010</b>	As at 31st March, 2009
Investments with insurer %	<b>100 %</b>	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 :

<b>Particulars</b>	<b>2009-10</b>	2008-09
Discount rate	<b>8.00%</b>	8.00%
Expected rate of return on assets	<b>9.00%</b>	8.00%
Expected rate of future salary increase	<b>5.00%</b>	5.00%

**Amount incurred as expense for defined contribution plans**

<b>Particulars</b>	<b>2009-10</b>	2008-09
Contribution to Provident and Pension Fund	<b>1,124,972</b>	1,050,678

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.

The management has relied on the overall actuarial valuation conducted by the actuary. However, experience adjustments on plan liabilities and assets are not readily available and hence not disclosed.

The Company expects to contribute the amount ascertained as per actuarial valuation to gratuity fund in the year 2010-2011.

8. The Company has not been informed by any supplier of being covered under Micro, Small and Medium Enterprises Development Act, 2006. As a result no disclosure in this respect are made in the Financial Statements.
9. The Department of Company Affairs in exercise of its powers conferred by sub-section (4) of Section 211 of the Companies Act, 1956 by its Order No 46/150/2009-CL-III dated 26th June, 2009 has exempted the Company from giving the quantitative details for its consumption, turnover, stock etc. for the year ended 31st March 2010.

**NOTES ON ACCOUNTS (contd.)**

10. Computation of commission payable to CEO & Managing Director's and net profits in accordance with section 349 of the Companies Act, 1956.

(Amount in Rupees)

Particulars	2009-10	2008-09
Profit Before Tax (as per Profit and Loss Account)	50,061,433	45,678,780
Add: Depreciation as per Profit and Loss Account	13,232,682	13,222,478
Less: Depreciation (to the extent specified in Section 350 of the Companies Act, 1956)	13,232,682	13,222,478
Net Profit as per Section 349 of the Companies Act, 1956	50,061,433	45,678,780
Add: Director's Remuneration	1,001,229	950,049
Profit as per Section 198	51,062,662	46,628,829
<b>Commission to CEO &amp; Managing Director</b>		
Maximum amount permissible for CEO & Managing Director @ 2 % of Profit	1,001,229	950,049
Commission actually approved	1,001,229	950,049

11. **DIRECTORS' REMUNERATION**

(Amount in Rupees)

Particulars	2009-10	2008-09
Salaries and Allowances	768,000	816,000
Commission to CEO & Managing Director	1,001,229	950,049
Contribution to Provident Fund	57,600	57,600
<b>Total</b>	<b>1,826,829</b>	<b>1,823,649</b>

Note : As the liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not included above.

12. **VALUE OF IMPORTS CALCULATED ON CIF BASIS**

(Amount in Rupees)

Particulars	2009-10	2008-09
Capital goods	408,398	1,087,697

13. **EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)**

(Amount in Rupees)

Particulars	2009-10	2008-09
Commission	36,220	1,014,618
Others	315,607	20,799
<b>Total</b>	<b>351,827</b>	<b>1,035,417</b>

14. **INDIGENOUS FOOD, BEVERAGE AND STORES CONSUMED**

Particulars	Percentage of total consumption		(Amount in Rupees)	
	2009-10	2008-09	2009-10	2008-09
Indigenous	100.00	100.00	17,509,998	17,071,839
Imported	-	-	-	-

15. **EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)**

(Amount in Rupees)

Particulars	2009-10	2008-09
Income from Guest Accommodation, Restaurants, Bar and Other Services	5,879,190	3,374,734

The earning in foreign currency represent amount settled by customers either directly in foreign currency or through foreign countries' bank credit cards.

**NOTES ON ACCOUNTS (contd.)**

16. During the year, 1,406,629 outstanding warrants issued to strategic investor, other investors and promoters group in earlier years were converted into an equal number of equity shares of Rs 10 each at a premium of Rs 162.50 per equity share. This has resulted in increase in the paid up equity share capital by Rs 14,066,290 and securities premium by Rs 228,577,212.
17. During the financial year 2007-08, 2008-09 and 2009-10 the Company has raised funds through a Preferential issue of Equity Shares aggregating to Rs.498,292,125 for the purpose of expanding its activities. Pending utilization, the funds to the extent of Rs.138,297,125 have been invested in short term Mutual funds and balance Rs.359,995,000 has been invested in term deposits with Banks.

**18. EARNINGS PER SHARE (EPS)**

Particulars	2009-10	2008-09
Net profit as per profit and loss account (Rs)	<b>34,343,294</b>	33,780,685
Weighted average number of equity shares in calculating basic EPS	<b>6,038,246</b>	4,494,178
Add: Weighted average number of equity shares outstanding prior to conversion into equity share on account of outstanding equity share warrants	<b>2,698</b>	163,876
Weighted average number of equity shares in calculating diluted EPS	<b>6,040,944</b>	4,658,054
Nominal value of each share (Rs)	<b>10</b>	10
Basic Earning per Share (Rs)	<b>5.69</b>	7.52
Diluted Earning per Share (Rs)	<b>5.69</b>	7.25

**19. THE BREAK-UP OF MAJOR COMPONENTS OF NET DEFERRED TAX LIABILITIES OF RS 43,270,566 AS ON 31ST MARCH 2010 IS AS UNDER:**

(Amount in Rupees)

Particulars	As at 31st March, 2010	As at 31st March, 2009
<b>Deferred Tax Liability</b>		
Timing Difference on Depreciable Assets	<b>43,270,566</b>	44,406,047
<b>Deferred Tax Asset</b>		
Expenses allowable on payment basis / other timing differences	-	153,620
<b>Deferred Tax Liabilities (Net)</b>	<b>43,270,566</b>	44,252,427

**20. AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF INTERIM DIVIDENDS :**

Particulars	2009-10	2008-09
No. of non-resident share holders	<b>31</b>	33
No. of Shares held	<b>2,765,355</b>	1,489,355
Amount remitted as interim dividend (Rs.)	<b>6,908,052*</b>	Nil

\* Excluding amount remitted in Indian Currency aggregating to Rs.5,336.

21. Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

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

For and on behalf of the Board of Directors

per R. K. Agrawal  
 Partner  
 Membership No. 16667  
 Kolkata, 26th May, 2010

Dr Niren Suchanti  
 Chairman

Navin Suchanti  
 CEO & Managing Director

Rohan Sikri  
 Director

Hardeep Sachdeva  
 Director

T. K. Banerjee  
 Company Secretary





