

CORPORATE INFORMATION

Board of Directors

Dr Niren Suchanti, Chairman
Navin Suchanti, CEO & Managing Director
Siddhartha Yog
Rohan Sikri
Hardeep Sachdeva
Kunal Bose
Ravi Bhasin
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 and Corporate Office

Pressman House
10A Lee Road
Kolkata 700 020

Hotels & Resort

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

Projects under implementation

Sinclairs Retreat Kalimpong
Sinclairs Tourist Resort, Burdwan
Hotel Sinclairs 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 Thirtiyninth Annual General Meeting of the company will be held at Rotary Sadan, 94/2, Jawaharlal Nehru Road, Kolkata 700 020 on Saturday, 27th day of August 2011 at 10:30 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss account for the year ended March 31, 2011 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 Siddhartha Yog, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr Vikash Kuthari, 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 17th March, 2011 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.

AS SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modifications the following resolution as special resolution:

Reappointment of Mr Navin Suchanti as CEO & Managing Director

“RESOLVED THAT pursuant to the provisions of Section 198,269,309,316 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 consent of the company be and is hereby accorded to the reappointment of Mr Navin Suchanti as CEO & Managing Director for a period of five years with effect from 1st April, 2011 and the remuneration payable to him as set out in the explanatory statement annexed to this notice with liberty to the Board of Director to alter, vary or modify the terms and conditions of the said appointment and/ or remuneration subject to the same not exceeding the limit specified in Schedule XIII of the Companies Act, 1956.”

7. To consider and if thought fit, to pass with or without modifications the following resolution as special resolution:

Appointment of Ms Pooja Suchanti as Chief of Communications

“RESOLVED THAT pursuant to the provisions of Section 314(1) and 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to Ms Pooja Suchanti, a relative of Director

holding and continuing to hold an office or place of profit under the Company, as Chief of Communications, for a period of five years, effective 1st April, 2011, upon such terms including remuneration, as may be decided by the Board of Directors.

“RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and things as are or may be necessary to give effect to the foregoing, including altering, amending, varying and modifying the terms and conditions of the above appointment.”

Regd. Office
Pressman House
10A Lee Road
Kolkata 700 020
Dated: 30th May, 2011

For and on behalf of the Board

T K Banerjee
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. 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.
3. The Register of Members and the Share Transfer Register will remain closed from Tuesday, 23rd August, 2011 to Saturday, 27th August, 2011 (both days inclusive).
4. The Board of Directors in its meeting held on 17th March, 2011 had declared an Interim Dividend of ₹ 3.50 (35%) per equity share and paid the same to those members, whose names appeared in the register of members as on 29th March, 2011.
5. Members holding their shares in physical form are requested to convert them into dematerialised form (ISIN INE985A01014).
6. Members are requested to inform of any change in their address immediately, mentioning their folio number.
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 least 10 days before the date of meeting at the registered office, so that the same may be attended to appropriately.
8. 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 www.sinclairsindia.com
9. Brief resume of the directors to be re-appointed are disclosed in corporate governance report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

Reappointment of Mr Navin Suchanti as CEO & Managing Director

Mr Navin Suchanti was appointed as CEO & Managing Director on 1st April, 2006 for a period of five years and the said tenure expired on 31st March, 2011. The Board of Directors at its meeting held on 30th May, 2011 as recommended by the Remuneration Committee, has reappointed Mr Navin Suchanti as CEO & Managing Director for a further period of five years w.e.f. 1st April, 2011. He is also a working director of Pressman Advertising Ltd. The remuneration paid or payable to him is detailed below:

Remuneration:

2% of the net profit of the Company or ₹ 500,000 per annum, whichever is higher, payable quarterly, computed in the manner provided under sections 349 and 350 and within the overall limit of sections 198 read with 309 of the Companies Act, 1956.

In addition he will be entitled to reimbursement of all entertainment, travelling, hotel and other expenses incurred by him during the course and in connection with business of the Company.

He will not be entitled to sitting fees for attending the meeting of the Board of Directors and committees thereof.

Minimum Remuneration:

If in any financial year during the tenure of Mr Navin Suchanti, there is a loss or inadequate profits, the Company shall pay

₹ 500,000 per annum as minimum remuneration subject to limit specified under section II of Part II of Schedule XIII of the Companies Act, 1956 (including statutory modifications or re-enactments thereof, for the time being in force) or such limits as may be prescribed by the Government from time to time as minimum remuneration.

None of the Directors except Dr Niren Suchanti and Mr. Navin Suchanti are interested or concerned in this resolution.

The terms of payment of remuneration to Mr Navin Suchanti as stated in the notice may be treated as an abstract under section 302 of the Companies Act, 1956.

The Board recommends the resolution for acceptance.

Item No. 7

Appointment of Ms Pooja Suchanti as Chief of Communications

Ms Pooja Suchanti (27), a relative of Mr Navin Suchanti, is a honours graduate in Business Management from University of Surrey, UK and a post graduate from University of Nottingham, UK with specialization in Marketing. She also has a Post Graduate Diploma in Journalism from the renowned London School of Journalism, UK. Her appointment as Chief of Communications will be beneficial to the Company.

The Board recommends the resolution for acceptance.

Except Mr Navin Suchanti, no other Director is concerned or interested in the resolution.

Green Initiative in the Corporate Governance

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. All members are therefore requested to register their email and changes therein from time to time with the Registrar & Share Transfer Agent (RTA) or with the concerned depository participant (DP) for sending Annual Report through email.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirtiyninth Annual Report together with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS

₹ in lacs

Sl. No.	Particulars	Year ended 31.03.2011	Year ended 31.03.2010
1	Gross Income	1910.28	1604.17
2	Profit before depreciation and tax	851.45	632.94
3	Depreciation	140.48	132.33
4	Profit before tax	710.97	500.61
5	Provision for taxation	188.31	157.18
6	Profit after tax	522.66	343.43
7	Profit brought forward	213.02	96.99
8	Profit available for appropriation	735.68	440.42
9	Transfer to General Reserve	70.00	50.00
10	Interim Dividend	212.28	151.63
11	Tax on Dividend	35.26	25.77
12	Balance carried to Balance Sheet	418.14	213.02
		735.68	440.42

OPERATIONS AND PERFORMANCE

During the year under review, the operations of all the five hotel units were satisfactory. The gross income increased to ₹ 1910.28 lacs from ₹ 1604.17 lacs last year representing a growth of 19%. The profit before tax increased to ₹ 710.97 lacs as compared to ₹ 500.61 lacs in 2009-2010 showing a rise of 42%. Profit after tax increased to ₹ 522.66 lacs compared to ₹ 343.43 lacs showing a rise of 52%.

In view of the improved performance, a higher dividend has been paid for the year.

FUTURE PLANS

The company has undertaken complete renovation and refurbishment of its Ooty hotel. The new look property is being rebranded as Sinclair's Retreat Ooty. It is expected that the ARR and occupancy levels of the Ooty property will show a marked improvement.

The company's luxury resort project at Kalimpong is on course and despite the intermittent problems during the year, civil construction work has progressed well. The project is on schedule and the resort is likely to be operational next year.

The work on the luxury tourist project at Burdwan has also begun. The commencement of work was delayed by nearly eight months, but implementation is given a thrust to ensure that the project is operational by next year.

Work on the Kolkata hotel project has progressed substantially and most of the sanctions are now in place. We expect to start the construction work in August/September this year.

DIVIDEND

Your Directors have paid an interim dividend @ 35% (Rs.3.50 per equity share of ₹ 10) on 6,065,222 equity shares amounting to ₹ 24,754,029 (Rupees two crore forty seven lac fifty four thousand twenty nine only) inclusive of dividend distribution tax.

However, to conserve the resources, the Board recommends this as the final dividend.

DIRECTORS

The tenure of Mr Navin Suchanti as CEO and Managing Director expired on 31st March, 2011. The Board reappointed him as CEO and Managing Director w.e.f. 1st April, 2011 for a further period of five years, subject to approval of members at the ensuing Annual General Meeting.

Mr Ravi Bhasin was appointed as a Director in the casual vacancy caused by resignation of Ms Pallavi Puri on 26th July, 2010.

Mr Siddhartha Yog and Mr Vikash Kuthari retire by rotation and being eligible offers themselves for reappointment.

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 ₹ 6,066,607 in foreign exchange (previous year ₹ 5,879,190). There was expenditure in foreign currency of ₹ 15,213,566 (previous year ₹ 760,225).

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:
Pressman House
10A Lee Road
Kolkata 700 020
Dated: 30th May, 2011

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, Opportunities and Threats

The acceleration of India's Gross Domestic Product to a globally eye-catching growth rate of 8.6 per cent in 2010-11, a significant improvement over the 7.5 per cent rate of 2009-2010, found resonance in the Indian hospitality industry. Improved occupancies and the rise in average rates raised spirits in the hospitality industry which had been free-falling due to the corporate travel and entertainment budget cutbacks in the wake of a global recession. The Union Ministry of Tourism's *Annual Report of 2010-2011* states that foreign tourist arrivals increased 8.1 per cent in 2010 bringing in foreign exchange that was 18.1 per cent higher than that in 2009.

The Government is engaged in an intensive exercise to raise interest in tourism through advertisements on television, radio and outdoor media. The visa-on-arrival scheme is being offered to tourists from Finland, Japan, Luxembourg, New Zealand, Singapore, Cambodia, Indonesia, Laos, Myanmar, Philippines and Vietnam. Special attention is being given to new products such as rural tourism, golf tourism, cruise tourism, adventure tourism and wellness tourism, especially Ayurveda and yoga. These initiatives will undoubtedly boost domestic and international tourism.

The Indian hotel industry has enhanced its capabilities over the last few years with the objective of offering better facilities and services to tourists and business travellers. The *FHRAI Indian Hotel Survey 2010* acknowledges that the improvement in technology used by Indian hotels as well as in the technology that they offer to customers has made a qualitative difference. Improved revenue and human resource management software and unique, individualized customer relationship management systems will make it easier for the Indian hotel industry to live up to the expectations of global customers. Indian hotel guests now have access to in-room technology such as international adapters and plug-points, i-pod docking stations, light controls and individual temperature controls for rooms and bathrooms that are in accord with global standards. To keep prices at competitive levels, many Indian hotels are now outsourcing laundry, food and beverage and housekeeping services. Hotels have also become more sensitive to the security needs of some women travellers by providing women-only floors and video phones.

The *Conde Nast Readers' Travel Awards 2010* declared India as the seventh best destination in the world and the readers of *Global Traveler Magazine*, USA picked India as the best international tourism destination in 2010.

The hospitality industry will continue to be among the leading employers in India in the next few decades. The World Travel and Tourism Council has forecast that China and India will create the highest Travel and Tourism Economy Employment in 2020. If India's economic performance remains healthy in

the next few years, the hospitality industry will experience good growth as well.

Outlook

The Government of India has recently taken some measures to encourage the hospitality industry to profit from and please tourists, both domestic and foreign. The Government has constituted a Hospitality Development and Promotion Board with the objective of speeding up granting of official permission for hotel projects and helping supervision. Exemption from tax for a period of five years for all hotels rated two-star and above that start functioning between 2008 and 2013 at UNESCO World Heritage sites and investment-related deductions in Section 35 AD of the Income Tax Act for hotels will catalyze the future growth of the industry.

The 2011-2012 Union Budget has introduced a service tax on hotel accommodation that costs more than ₹ 1,000 per day and on air conditioned restaurants that are authorized to serve liquor and increased service tax on domestic and international flights. These are retrograde steps for the future of Indian hotel industry.

Risks and Concern

Tourism industry is generally affected on account of :

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

Risk mitigation

The five properties of the Company being well spread geographically has 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 assets. The systems and processes are continually reviewed for its effectiveness.

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

- 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 2010-2011, five meetings of the board were held. These meetings were held on 26th May, 2010, 26th July, 2010, 3rd November, 2010, 31st January, 2011 and 17th March, 2011.

Particulars of Directors are given below:

Name	Designation	Category	Equity Shareholding in the Company
Dr Niren Suchanti	Chairman	Non-Executive Director	281,915
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 Hardeep Sachdeva	Director	Non-Executive Independent Director	Nil
Mr Kunal Bose	Director	Non-Executive Independent Director	Nil
Mr Ravi Bhasin	Director	Non-Executive Independent Director	Nil
Mr Vikash Kuthari	Wholetime Director	Executive Director	1,000

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	3	No	Nil	Nil
Mr Rohan Sikri	5	5	No	Nil	Nil
Mr Hardeep Sachdeva	5	4	Yes	Nil	Nil
Mr Vikash Kuthari	5	4	No	Nil	Nil
Ms Pallavi Puri*	5	Nil	No	Nil	Nil
Mr Ravi Bhasin**	5	Nil	No	Nil	Nil
Mr Kunal Bose	5	4	Yes	Nil	Nil

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

* Ceased on 26th July, 2010

** Appointed on 26th July, 2010

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 Navin Suchanti	Mr Siddhartha Yog	Mr Vikash Kuthari
Date of Birth	15.10.1953	17.05.1973	09.02.1976
Date of appointment	30.06.1990	18.12.2007	19.06.2004
Qualification	B.Sc. (Hons)	MBA (Harvard),USA	B.Sc. (Hotel Management) Diploma from American Hotel and Motel Assocn.)
Expertise in specific functional area	38 years experience in tourism and hospitality, public relations, advertising, real estate, marketing, administration and taxation	17 years of global experience in the real estate and infrastructure industries spanning 15 countries across Asia/ Pacific. He is Managing Partner of Xander Group Inc. USA	11 years experience in Hospitality Industry
Directorships held in other Public Companies (excluding foreign companies, and section 25 Companies)	4	Nil	Nil
Membership/ Chairmanship of Committee of the Public Companies (includes only Audit Committee and shareholders/Investors Grievance Committee)	Nil	Nil	Nil
No of shares held in the Company	306,320	Nil	1,000

III. Audit Committee

Terms of Reference

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

- To oversee the Company's financial reporting process and disclosure of its financial information and ensure the financial statements are correct, sufficient and credible.
- To recommend appointment and removal of the Statutory Auditors and Internal Auditors, fixation of their fees, etc.
- To review the adequacy of internal control systems with the Management, Statutory and Internal Auditors.
- To review the audited quarterly, half-yearly and annual financial statements before submission to the Board for approval.
- To review the Company's financial and risk management policies.

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

Composition

- | | |
|-----------------------------------|--|
| Kunal Bose
(w.e.f. 17.03.2011) | - 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 2010-2011, four meetings of the committee were held on 26th May, 2010, 26th July, 2010, 3rd November, 2010 and 31st January, 2011. The time gap between two meetings was less than four months.

Members	Meetings held	Meetings attended
Hardeep Sachdeva*	4	4
Rohan Sikri	4	4
Navin Suchanti	4	4
Kunal Bose**	4	Nil

* Ceased on 17.03.2011

** Appointed on 17.03.2011

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, interalia, 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, 2011:

Particulars	Mr Navin Suchanti CEO & Managing Director	Mr Vikash Kuthari Wholetime Director
Salary and Allowances	—	₹ 784,800
Contribution to PF and Family Pension Fund	—	₹ 66,240
Bonus	—	₹ 110,400
Commission	₹ 1,421,930	—
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

*Renewed for a further period of five years w.e.f. 1st April, 2011 subject to approval by members at the ensuing Annual General Meeting.

B. Non-Executive Directors

The Non-Executive Directors are remunerated for attending Board Meeting and Audit Committee Meeting. The fee for Board Meeting is ₹ 5,000 while for Audit Committee Meeting, the fee is ₹ 2,500.

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)
Kunal Bose	- Member (Non-Executive Independent Director)

Secretary

T K Banerjee - Company Secretary

Meeting and attendance during the year

During the financial year 2010-2011, one meeting of the committee was held on 30th October, 2010

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
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
2009-10	17.09.2010	Rotary Sadan 94/2, J L Nehru Road Kolkata 700020	10:30 AM

No special resolutions were passed in the last three years.

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 No. 17 Note No.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.



- iii. The Company has an established whistle blower policy.
- iv. The Company has complied with the mandatory requirement of clause 49 of the Listing Agreement.

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. These are however uploaded in the investor information website 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

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
27.08.2011	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, 2011	Within 14th August, 2011
Results for quarter ending September 30, 2011	Within 14th November, 2011
Results for quarter ending December 31, 2011	Within 14th February, 2012
Results for quarter ending March 31, 2012	Within 30th May, 2012
AGM for the year ending March 31, 2012	By end of September, 2012

c. Book Closure :

Tuesday, 23rd August, 2011 to Saturday, 27th August, 2011 (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 @ 35% (₹ 3.50 per equity share of ₹ 10) on 6,065,222 equity shares amounting to ₹ 24,754,029 (Rupees two crore forty seven lac fifty four thousand twenty nine 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 – (₹/share) during 2010-2011)

Market data at Bombay Stock Exchange Ltd (BSE)

Month	Share Prices at BSE		BSE Sensex	
	High	Low	High	Low
April, 2010	213.45	170.00	18047.86	17276.80
May, 2010	312.90	201.00	17536.86	15960.15
June, 2010	330.00	264.25	17919.62	16318.39
July, 2010	255.00	200.00	18237.56	17395.58
August, 2010	253.70	225.05	18475.27	17819.99
September, 2010	255.00	218.15	20267.98	18027.12
October, 2010	278.20	230.00	20854.55	19768.96
November, 2010	291.55	240.15	21108.64	18954.82
December, 2010	279.00	239.00	20552.03	19074.57
January, 2011	305.00	245.00	20664.80	18038.48
February, 2011	322.00	285.05	18690.97	17295.62
March, 2011	330.00	303.00	19575.16	17792.17

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	2289	98.58	94669	1.56
501-1000	16	0.70	13089	0.22
1001-5000	5	0.21	9418	0.15
5001-10000	3	0.13	19247	0.32
10001-50000	1	0.04	33000	0.54
50001-100000	1	0.04	56506	0.94
100001 & above	7	0.30	5839293	96.27
Total	2322	100.00	6065222	100.00

Category	No.	%
Promoters	3132878	51.65
Mutual Funds, UTI	Nil	Nil
Banks, FIs, Insurance Cos, Govt. & Non-Govt. Institutions	2205	0.04
Private Corporate Bodies	46851	0.77
Public (Indian)	117735	1.94
NRIs / OCBs	2139	0.04
Foreign Companies	2763221	45.56
Clearing Member	193	0.000
Total	6065222	100.00

i. Dematerialisation of shares:

Out of total paid-up capital of 6,065,222 equity shares as on 31st March, 2011, 5,961,508 equity shares (98.29%) and 21,867 equity shares (0.36%) are held in dematerialised form at NSDL and CDSL respectively.

j. Outstanding Instruments:

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

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

PO Pradhan Nagar, Siliguri 734 403

Hotel Sinclairs Darjeeling

18/1, Gandhi Road, Darjeeling 734 101

Sinclairs Retreat Doors

Chalsa Hilltop, Jalpaiguri 735 206

Sinclairs Retreat Ooty

Gorishola Road, Ootacamund 643 001

Hotel Sinclairs Bayview

South Point, Port Blair
Andaman Islands 744 106

Projects under implementation:**Sinclairs Retreat Kalimpong**

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

Sinclairs Tourist Resort, Burdwan

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

Hotel Sinclairs Kolkata

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

l. Address for Correspondence:

Compliance Officer
Sinclairs Hotels Limited
Pressman House, 10A Lee Road, Kolkata 700 020
Phone: (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 Limited for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the Company with 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, 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

per Bhaswar Sarkar
Partner

Place: Kolkata
Date: 30th May, 2011

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, 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, 2011.

Kolkata
30th May, 2011

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, 2011 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at March 31, 2011 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, 2011;
 - 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 Bhaswar Sarkar
 Partner
 Place : Kolkata
 Date : 30th May, 2011
 Membership No : 55596

ANNEXURE TO THE AUDITORS' REPORT

(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, 2011)

- (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 a 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) According to the information and explanations given to us, 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, the provisions of clauses (iii) (a) to (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, 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) (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 has been entered

into the register required to be maintained under that section.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements 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 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 and services of the Company.
- (ix) (a) 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 have generally been regularly deposited with the appropriate authorities. During the year, the Company did not have any dues towards wealth tax and excise duty.
- Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (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, service tax, sales-tax, customs duty, cess and other material undisputed 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 records of the Company, there are no dues outstanding on account of income-tax, service tax, sales-tax, customs duty and cess 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,	20.35 lacs	1994-95, 2006-07 and 2007-08	Senior Joint Commissioner of Commercial Tax
	disallowance of remission and input tax credit etc.	11.77 lacs	2005-06	West Bengal Commercial Tax Appellate and Revisional Board

- (x) The Company does not have accumulated losses at the end of the financial year and 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 has neither obtained any loans nor issued debentures.
- (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 to the Company.
- (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 to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks 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 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 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 year.

For S.R. BATLIBOI & CO.
Firm registration number: 301003E
Chartered Accountants

per Bhaswar Sarkar
 Partner
 Place : Kolkata
 Date : 30th May, 2011

per Bhaswar Sarkar
 Partner
 Membership No : 55596

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As at 31st March 2011 ₹	As at 31st March 2010 ₹
SOURCES OF FUNDS			
Shareholders' Fund			
a) Share Capital	1	60,652,220	60,652,220
b) Reserves and Surplus	2	760,188,150	732,917,620
Deferred Tax Liabilities (Net) (Refer Note 17, Schedule 17)		40,271,686	43,270,566
TOTAL		861,112,056	836,840,406
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3A	486,209,551	438,237,463
Less : Accumulated Depreciation / Amortization		150,559,900	153,037,053
a) Net Block		335,649,651	285,200,410
b) Capital Work-in-Progress	3B	125,454,964	18,198,478
		461,104,615	303,398,888
Investments	4	-	154,270,988
Current Assets, Loans and Advances			
a) Inventories	5	1,957,762	1,993,014
b) Sundry Debtors	6	5,860,308	4,727,149
c) Cash and Bank Balances	7	416,307,088	364,724,004
d) Loans and Advances	8	5,569,714	6,701,369
e) Other Current Assets	9	8,064,364	12,989,135
		437,759,236	391,134,671
Less : Current Liabilities and Provisions	10		
a) Current Liabilities		37,092,845	11,674,258
b) Provisions		658,950	289,883
Net Current Assets		400,007,441	379,170,530
TOTAL		861,112,056	836,840,406

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 Bhaswar Sarkar
Partner
Membership No. 55596
Kolkata, 30th May 2011

For and on behalf of the Board of Directors

Dr Niren Suchanti
Chairman

Navin Suchanti
CEO and Managing Director

Rohan Sikri
Director

Kunal Bose
Director

T. K. Banerjee
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedules	2010-11 ₹	2009-10 ₹
INCOME			
Income from Guest Accommodation, Restaurants, Bar and Other Services	11	149,876,143	135,046,876
Other Income	12	41,151,996	25,370,486
TOTAL		191,028,139	160,417,362
EXPENDITURE			
Food, Beverage and Stores Consumed	13	21,899,180	17,509,998
Personnel Expenses	14	24,849,895	19,810,007
Operating and Other Expenses	15	59,134,703	59,803,242
Depreciation / Amortization	16	14,047,849	13,232,682
TOTAL		119,931,627	110,355,929
Profit before Tax		71,096,512	50,061,433
Provision for Tax			
Current Tax		21,830,000	16,700,000
Deferred Tax Charge / (Credit)		(2,998,879)	(981,861)
Total Tax Expense		18,831,121	15,718,139
Profit after Tax		52,265,391	34,343,294
Balance brought forward from previous year		21,302,275	9,698,997
Profit available for Appropriation		73,567,666	44,042,291
Appropriations			
Interim Dividend		21,228,277	15,163,055
Tax on Dividend		3,525,752	2,576,961
Transfer to General Reserve		7,000,000	5,000,000
Surplus carried to Balance Sheet		41,813,637	21,302,275
		73,567,666	44,042,291
Earnings Per Share			
[Nominal Value per share ₹ 10]			
Basic and Diluted		8.62	5.69
(Refer Note 16, 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 Bhaswar Sarkar
Partner
Membership No. 55596
Kolkata, 30th May, 2011

For and on behalf of the Board of Directors

Dr Niren Suchanti
Chairman

Navin Suchanti
CEO & Managing Director

Rohan Sikri
Director

Kunal Bose
Director

T. K. Banerjee
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-11 ₹	2009-10 ₹
A. Cash Flow from Operating Activities		
Net Profit before Taxes	71,096,512	50,061,433
Adjustments For :		
Depreciation / Amortization	14,047,849	13,232,682
Provision for diminution in the value of investments written back	-	(25,955)
Profit on Redemption of Investments	(12,463,060)	(4,657,932)
Interest Income	(27,725,564)	(14,530,231)
Dividend Income	-	(5,124,682)
Sundry Balances written off	-	142,831
Loss on Sale/Discarding of Fixed Assets	2,658,101	49,933
Liabilities no longer required written back	(64,527)	(9,020)
Operating profit before working capital changes	47,549,311	39,139,059
Movements in working capital :		
Trade and Other Receivables	(500,082)	653,135
Inventories	35,252	(2,096,460)
Trade and Other Payables	3,816,085	(6,281,686)
Cash Generated From Operation	50,900,566	31,414,048
Direct taxes paid (net)	(20,499,441)	(15,296,308)
Net Cash Flow from Operating Activities	30,401,125	16,117,740
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(175,288,205)	(17,743,174)
Proceeds from Sale of Fixed Assets	635,696	87,115
Proceeds from Subsidiary Company *	-	94,000
Refund of advance from Subsidiary Company *	-	23,000
Purchase of Non Trade Investments	(34,750,000)	(563,150,000)
Proceeds from Sale of Non Trade Investments	201,484,048	735,249,630
Interest Income	32,650,335	1,699,952
Dividend Income	-	5,124,682
Net Cash used in Investing Activities	24,731,874	161,385,205
C. Cash Flow from Financing Activities		
Proceeds from issuance of Share Capital / Equity Share Warrants	-	187,926,710
Dividends Paid	(21,228,277)	(15,163,055)
Tax on Dividend paid	(3,525,752)	(2,576,961)
Net Cash from / (Used in) in Financing Activities	(24,754,029)	170,186,694
Net Increase in Cash and Cash Equivalents (A+B+C)	30,378,970	347,689,639
Cash and cash equivalents at the beginning of the year	364,601,222	16,911,583
Cash and cash equivalents at the end of the year	394,980,192	364,601,222
Components of cash and cash equivalents		
Cash on hand	316,895	308,304
Balances with Scheduled Banks on:		
Current Accounts	1,450,630	2,458,881
Term Deposit Accounts	393,212,667	361,834,037
Unclaimed Dividend Account	98,619	122,782
Interim Dividend Account	21,228,277	-
Cash and Bank Balances as per Schedule 7	416,307,088	364,724,004
Less : Unclaimed Dividend**	98,619	122,782
Less : Interim Dividend **	21,228,277	-
	394,980,192	364,601,222

* Sinclairs Management Education Co Pvt Ltd was a Subsidiary Company up to September 30, 2009

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

For and on behalf of the Board of Directors

per Bhaswar Sarkar
Partner
Membership No. 55596
Kolkata, 30th May, 2011

Dr Niren Suchanti
Chairman

Navin Suchanti
CEO & Managing Director

Rohan Sikri
Director

Kunal Bose
Director

T. K. Banerjee
Company Secretary

SCHEDULES

(FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011)

	As at 31st March, 2011 ₹	As at 31st March, 2010 ₹
SCHEDULE 1 : Share Capital		
Authorized		
15,000,000 Equity Shares of ₹ 10/- each	150,000,000	150,000,000
5,000,000 Redeemable Preference Shares of ₹ 10/- each	50,000,000	50,000,000
	200,000,000	200,000,000
Issued, Subscribed and Paid Up		
6,065,222 Equity Shares of ₹ 10/- each fully paid up	60,652,220	60,652,220
Of the above, 927,953 Equity Shares of ₹ 10/- each were allotted as fully paid up pursuant to contracts for consideration other than cash in earlier years.		
SCHEDULE 2 : Reserves and Surplus		
Capital Reserve		
Amalgamation Reserve		
Balance as per Last Account	7,279,767	7,279,767
Revaluation Reserve		
Balance as per Last Account	51,033,088	51,273,920
Less: Transferred to Profit and Loss Account (Refer Schedule 16)	240,832	240,832
	50,792,256	51,033,088
Capital Investment Subsidy		
Balance as per Last Account	8,136,724	8,136,724
Capital Redemption Reserve		
Balance as per Last Account	12,280,000	12,280,000
Securities Premium Account		
Balance as per Last Account	509,405,585	280,828,373
Add: Received during the year	-	228,577,212
	509,405,585	509,405,585
General Reserve		
Balance as per Last Account	123,480,181	118,480,181
Add: Transferred from Profit and Loss Account	7,000,000	5,000,000
	130,480,181	123,480,181
Balance in Profit and Loss Account	41,813,637	21,302,275
	760,188,150	732,917,620

SCHEDULES (FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011)
SCHEDULE 3A : Fixed Assets

₹

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK	
	As at 31st March 2010	Additions	Deductions/ Adjustments	As at 31st March 2010	For the year	Less on deduction/ Adjustments	As at 31st March 2011	As at 31st March 2010
Intangible Assets								
Goodwill	15,300,249	-	-	8,415,138	2,295,037	-	4,590,074	6,885,111
Tangible Assets								
Land - Freehold	49,696,876	60,000,000 *	-	419,027	27,935	-	109,696,876	49,696,876
Land - Leasehold	2,765,576	2,362,500 *	-	59,357,484	3,664,288	-	4,681,114	2,346,549
Buildings	224,981,429	-	714,000	224,267,429	2,852,991	168,963	62,852,809	165,623,945
Plant and Machinery	64,293,167	2,571,188	1,025,768	35,128,429	2,852,991	601,716	37,379,704	29,164,738
Electrical Installation	12,749,674	425,261	204,941	6,946,086	482,564	93,315	7,335,335	5,803,588
Furniture and Fixtures	63,675,446	3,773,221	19,902,911	40,826,655	4,456,688	15,901,840	18,164,253	22,848,791
Vehicles	4,775,046	687,538	-	1,944,234	509,178	-	3,009,172	2,830,812
Total	438,237,463	69,819,708	21,847,620	153,037,053	14,288,681	16,765,834	335,649,651	285,200,410
Previous Year's Total	426,397,959	12,521,887	682,383	140,108,873	13,473,514	545,334	285,200,410	

* Pending registration in the name of the Company.

Notes : Land and Building situated at Siliguri and Darjeeling were revalued in the year 1993, the total increase on such revaluation being ₹ 50,759,430. Land and Buildings situated at Port Blair were revalued in the year 1994 resulting in a net increase of ₹ 13,735,921.

These amounts have been added to the relevant fixed assets with a corresponding credit to Revaluation Reserve Account.

SCHEDULE 3B : Capital Work-in-Progress

	As at 31st March, 2011	As at 31st March, 2010
Capital Work-in-Progress		
Land development expenses	754,916	567,461
Buildings	88,832,422	12,498,820
Plant and Machinery	3,659,346	-
Electrical Installation	1,362,352	-
Furniture and Fixtures	19,333,735	-
Capital Advances	8,886,009	4,603,416
Sub Total (A)	122,828,780	17,669,697
Incidental Project Expenditure Pending Allocation *		
Opening Balance	528,781	139,566
Additions		
Salaries, Wages and Bonus	186,600	-
Contribution to Provident and Other Funds	10,800	-
Rates and Taxes	502,257	271,945
Insurance	184,461	-
Travelling and Conveyance	805,311	70,247
Miscellaneous Expenses	407,974	47,023
Sub Total (B)	2,626,184	528,781
Total (A+B) :	125,454,964	18,198,478

* Other than amount included under Schedule 14 and 15 under respective heads

SCHEDULES (FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011)

	No. of Units	Face Value ₹	As at 31st March, 2011 ₹	As at 31st March, 2010 ₹
SCHEDULE 4 : Investments				
(At lower of cost and fair value)				
Current				
Other than trade				
Unquoted, fully paid-up				
In units of Mutual Funds				
HDFC Short Term Plan - Growth	-	10	-	154,270,988
	(9,012,746)			
Total Investments			-	<u>154,270,988</u>
NAV of Unquoted Investments in Mutual Funds			-	162,163,637

Note : The following units of Mutual Funds were purchased and sold during the year

Name of Mutual Fund	Face Value ₹	No. of Units 2010-11	No. of Units 2009-10
SBI-SHF-Ultra Short Term Fund - Institutional Plan -Daily Dividend	10	-	7,604,018
SBI-Magnum Insta Cash Fund - Daily Dividend	10	-	1,250,869
HDFC Short Term Plan - Growth	10	-	19,827,640
SBI-SHF-Ultra Short Term Fund - Institutional Plan -Growth	10	-	16,774,890
HDFC Cash Management Fund - Treasury Advantage Plan-Wholesale-Daily Dividend	10	-	1,913,419
HDFC Cash Management Fund - Treasury Advantage Plan-Wholesale-Growth	10	-	584,031
HDFC Short Term Plan - Dividend - Reinvest	10	-	11,724,915
HDFC Cash Management Fund - Treasury Advantage Plan-Retail-Growth	10	1,694,280	2,004,673

SCHEDULES (FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011)

	As at 31st March 2011 (₹)	As at 31st March 2010 (₹)
SCHEDULE 5 : Inventories		
(At lower of cost and net realisable value)		
Food, Beverage and Stores	1,237,862	1,061,471
Crockery and Cutlery	110,000	70,998
Linen, Curtains, Housekeeping and Others	609,900	860,545
	<u>1,957,762</u>	<u>1,993,014</u>
SCHEDULE 6 : Sundry Debtors		
Unsecured, Considered Good		
Debts outstanding for a period exceeding six months	1,451,719	772,435
Other debts	4,408,589	3,954,714
	<u>5,860,308</u>	<u>4,727,149</u>
SCHEDULE 7 : Cash and Bank Balances		
Cash on Hand	316,895	308,304
Balances with Scheduled Banks on :		
Current Accounts	1,450,630	2,458,881
Term Deposit Accounts*	393,212,667	361,834,037
Unclaimed Dividend Account	98,619	122,782
Interim Dividend Account	21,228,277	-
	<u>416,307,088</u>	<u>364,724,004</u>
* Receipts aggregating to ₹ 5,071,423 (₹ 1,464,000) pledged against Bank Guarantees and ₹ 472,010 (₹ 357,000) pledged with the Registrar, Calcutta High Court		
SCHEDULE 8 : Loans and Advances		
Unsecured, Considered good		
Advances recoverable in cash or in kind or for value to be received	1,883,142	1,779,590
Advances to Staff	231,500	163,327
Balance with Excise and Sales Tax Authorities	251,491	186,169
Deposits	652,896	691,039
Advance Income Tax [Net of Provisions of ₹ 50,430,000 (₹ 28,600,000)]	2,550,685	3,881,244
	<u>5,569,714</u>	<u>6,701,369</u>
SCHEDULE 9 : Other Current Assets		
Unsecured, Considered Good		
Interest accrued on Term Deposits	8,064,364	12,989,135
	<u>8,064,364</u>	<u>12,989,135</u>
SCHEDULE 10 : Current Liabilities and Provisions		
A. Current Liabilities		
Sundry Creditors		
(a) Dues to Micro and Small Enterprises	-	-
(b) Other creditors	8,812,424	4,846,845
Advance from Customers	3,550,342	2,718,361
Investor Education and Protection Fund (To be deposited as and when due)		
Unclaimed Dividend	98,619	122,782
Interim Dividend Payable	21,228,277	-
Deposits	2,912,875	3,609,794
Other Liabilities	490,308	376,476
	<u>37,092,845</u>	<u>11,674,258</u>
B. Provisions		
Provision for Gratuity	658,950	289,883
	<u>658,950</u>	<u>289,883</u>

SCHEDULES (FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011)

	2010-11 ₹	2009-10 ₹
SCHEDULE 11 : Income from Guest Accommodation, Restaurants, Bars and Other Services		
Guest Accommodation, Restaurants and Bars	140,102,766	127,475,764
Other Services	9,773,377	7,571,112
	<u>149,876,143</u>	<u>135,046,876</u>
SCHEDULE 12 : Other Income		
Interest on :		
Term Deposits [Gross, Tax deducted at Source ₹ 2,804,510 (₹ 1,430,199)]	27,706,101	14,278,206
Others [Gross, Tax deducted at Source ₹ Nil (₹ 2,374)]	19,463	252,025
Dividend from Current Investments (Other than trade)	-	5,124,682
Profit on Redemption of Current Investments (Other than trade) *	12,463,060	4,657,932
Rental Income	852,134	1,022,666
Gain on Exchange Fluctuations (Net)	46,711	-
Liabilities no longer required written back	64,527	9,020
Provision for diminution in the value of investments written back	-	25,955
	<u>41,151,996</u>	<u>25,370,486</u>
* ₹ 12,017,744 (₹ 7,842) redeemed after one year from date of purchase		
SCHEDULE 13 : Food, Beverage and Stores Consumed		
Opening Stock	1,061,471	924,486
Add: Purchases	22,075,571	17,646,983
	<u>23,137,042</u>	<u>18,571,469</u>
Less: Closing Stock	1,237,862	1,061,471
	<u>21,899,180</u>	<u>17,509,998</u>
SCHEDULE 14 : Personnel Expenses		
Salaries, Wages and Bonus	19,065,993	15,946,171
Contribution to Provident and Other Funds	1,953,969	1,357,255
Workmen and Staff Welfare Expenses	1,446,563	679,752
Directors' Remuneration	2,383,370	1,826,829
	<u>24,849,895</u>	<u>19,810,007</u>

SCHEDULES (FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011)

	2010-11 ₹	2009-10 ₹
SCHEDULE 15 : Operating and Other Expenses		
Operating and Upkeep Expenses	5,619,838	5,531,180
Power and Fuel	13,267,854	11,324,304
Rent	705,979	701,184
Rates and Taxes	2,544,091	2,790,452
Insurance	492,117	383,679
Repairs and Maintenance :		
Plant and Machinery	726,490	628,843
Buildings	2,456,414	9,314,665
Others	7,063,312	9,147,934
Advertisement and Sales Promotion	3,734,862	4,322,686
Commission to Selling Agents	3,663,469	3,275,537
Travelling and Conveyance	2,479,664	1,769,018
Motor Car Expenses	1,533,069	1,062,822
Car and Other Hire Charges	3,517,073	2,137,245
Communication Costs	838,077	785,214
Printing and Stationery	555,171	869,937
Legal and Professional Fees	1,393,105	1,136,173
Directors' Fees	115,000	165,000
Payment to Auditor		
As auditor:		
Statutory Audit	525,000	400,000
Limited Review	350,000	300,000
Reimbursement for Out-of-Pocket Expenses and Service Tax	108,757	134,451
In Other Capacity in respect of Certification	5,000	50,000
Sundry Balances written off	-	142,831
Loss on Sale / Discarding of Fixed Assets	2,658,101	49,933
Miscellaneous Expenses	4,782,260	3,380,154
	59,134,703	59,803,242
SCHEDULE 16 : Depreciation / Amortization		
Depreciation / Amortization	14,288,681	13,473,514
Less : Transferred from Revaluation Reserve	240,832	240,832
	14,047,849	13,232,682

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 and 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 generally accepted accounting principles in India including 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 in India 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. Incidental Project Expenditure 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 which coincides the rates derived from useful lives of assets as estimated by management.
- 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 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.

(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 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.

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.

NOTES ON ACCOUNTS (contd.)

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.

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 are due for payment to the Regional Provident Fund Commissioner.

(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 Profit and Loss Account 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 current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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.

NOTES ON ACCOUNTS (contd.)

(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 and therefore the analysis of geographical segments 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 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, 2011	As at 31st March, 2010
Estimated amount of contracts remaining to be executed on capital contract and not provided for (Net of Advances)	39,613,001	186,575,344

5. CONTINGENT LIABILITIES NOT PROVIDED FOR:

Particulars	As at 31st March, 2011	As at 31st March, 2010
Sales Tax matters under dispute / appeal	1,129,836	2,163,294

6. RELATED PARTY DISCLOSURES:

(a) Names of related parties :

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 Advertising Limited Pressman Properties Limited Pressman Realty Limited Son-et-Lumiere Art Gallery Private Limited

NOTES ON ACCOUNTS (contd.)

(Amount in Rupees)

(b) Related Party Transactions :

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives				Total
	Mr. Navin Suchanti	Mr. Vikash Kuthari	Dr. Niren Suchanti	Mr. Rohan Suchanti	Pressman Properties Limited	Pressman Realty Limited	Son-et-Lumiere Art Gallery Pvt. Ltd.	Pressman Advertising Limited	
Directors' Remuneration	1,421,930	961,440							2,383,370
	(1,001,229)	(825,600)							(1,826,829)
Directors' Sitting Fees			15,000	-					15,000
			(35,000)	(5,000)					(40,000)
Electricity Charges					67,232				67,232
					(59,234)				(59,234)
Rent					330,900	231,636	96,000		658,536
					(330,900)	(231,636)	(96,000)		(658,536)
Advertising Expenses								2,380,952	2,380,952
								(3,397,490)	(3,397,490)
Balance Payable at year end	921,930	55,200							977,130
	(501,229)	(48,000)							(549,229)

Last year's figures given in brackets.

7. 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 Profit and Loss Account and the funded status and amounts recognised in the Balance Sheet for the respective plans.

Profit and Loss Account

Net employee benefit expense:

(Amount in Rupees)

Particulars	2010-11	2009-10
Current service cost	263,242	232,874
Interest cost on benefit obligation	236,003	206,562
Expected return on plan assets	(256,600)	(222,095)
Net actuarial loss recognised in the year	504,747	72,358
Past service cost	-	-
Net benefit expense	747,392	289,699
Actual return on plan assets	256,600	222,095

Gratuity Expenses have been recognised in Contribution to Provident and Other Funds under Schedule 14.

NOTES ON ACCOUNTS (contd.)

Balance Sheet

Details of Provision for Gratuity:

(Amount in Rupees)

Particulars	As at 31st March, 2011	As at 31st March, 2010
Defined benefit obligation	3,656,882	2,950,041
Fair value of plan assets	2,997,932	2,660,158
	658,950	289,883
Less: Unrecognized past service cost	-	-
Net liability	658,950	289,883

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

Particulars	As at 31st March, 2011	As at 31st March, 2010
Opening defined benefit obligation	2,950,041	2,582,019
Interest cost	236,003	206,562
Current service cost	263,242	232,874
Benefits paid	(297,151)	(143,772)
Actuarial losses on obligation	504,747	72,358
Plan amendments	-	-
Closing defined benefit obligation	3,656,882	2,950,041

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

Particulars	As at 31st March, 2011	As at 31st March, 2010
Opening fair value of the plan assets	2,660,158	2,341,191
Expected return	256,600	222,095
Contributions by employer	378,325	240,644
Benefits paid	(297,151)	(143,772)
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	2,997,932	2,660,158

The Company expects to contribute the amount 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, 2011	As at 31st March, 2010
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	2010-11	2009-10
Discount rate	8.00%	8.00%
Expected rate of return on assets	9.15%	9.00%
Expected rate of future salary increase	5.00%	5.00%
Mortality table	LIC (1994-96) ultimate	LIC (1994-96) ultimate

NOTES ON ACCOUNTS (contd.)

Amount incurred as expense for defined contribution plans:

(Amount in Rupees)

Particulars	2010-11	2009-10
Contribution to Provident Fund	1,295,019	1,124,972

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 three years are as follows *:

Particulars	2010-11	2009-10	2008-09	2007-08
Defined benefit obligation	3,656,882	2,950,041	2,582,019	2,052,000
Plan assets	2,997,932	2,660,158	2,341,191	-
Deficit / (Surplus)	658,950	289,883	240,828	2,052,000

* AS 15 (Revised) on Employee Benefits was adopted by the Company with effect from 1st April, 2007 and hence, the above disclosures have been made accordingly

As confirmed by the actuary, there are no experience adjustments on plan assets and liabilities that needs to be reported.

8. 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.
9. The Ministry of Corporate Affairs, by its Order No. S.O. 301 (E) dated 8th February, 2011, has exempted hotel companies (including restaurants) from disclosing in their Profit and Loss Account the information mentioned under paragraphs 3 (i) (a) and 3 (ii) (d) of Part II of Schedule VI. Hence the quantitative details for its consumption, turnover, stock etc. for the year ended 31st March 2011 have not been furnished.

10. DIRECTORS' REMUNERATION:

Particulars	2010-11	2009-10
Remuneration to Whole Time Director		
Salaries and Bonus	895,200	768,000
Contribution to Provident Fund	66,240	57,600
Commission to CEO & Managing Director	1,421,930	1,001,229
Total	2,383,370	1,826,829

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

11. Computation of commission payable to CEO & Managing Director's and Net Profits in accordance with Section 349 of the Companies Act, 1956:

Particulars	2010- 2011	2009 -2010
Profit Before Tax (as per Profit and Loss Account)	71,096,512	50,061,433
Add: Depreciation as per Profit and Loss Account	14,047,849	13,232,682
Less: Depreciation (to the extent specified in Section 350 of the Companies Act, 1956)	14,047,849	13,232,682
Net Profit as per Section 349 of the Companies Act, 1956	71,096,512	50,061,433
Add: Director's Remuneration	1,421,930	1,001,229
Profit as per Section 198	72,518,442	51,062,662
Commission to CEO & Managing Director		
Maximum amount permissible for CEO & Managing Director @ 2 % of Profit	1,421,930	1,001,229
Commission actually approved	1,421,930	1,001,229

NOTES ON ACCOUNTS (contd.)**12. VALUE OF IMPORTS CALCULATED ON CIF BASIS:** (Amount in Rupees)

Particulars	2010-11	2009-10
Capital goods	14,591,046	408,398

13. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS):

Particulars	2010-11	2009-10
Advertisement and Sales Promotion	218,430	170,580
Commission	2,910	36,220
Travelling and Conveyance	401,180	145,027
	622,520	351,827

14. INDIGENOUS FOOD, BEVERAGE AND STORES CONSUMED:

Particulars	Percentage of total consumption		(Amount in Rupees)	
	2010-11	2009-10	2010-11	2009-10
Indigenous	100.00	100.00	21,899,180	17,509,998
Imported	-	-	-	-

15. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS):

Particulars	2010-11	2009-10
Income from Guest Accommodation, Restaurants, Bar and Other Services	6,066,607	5,879,190

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

16. EARNINGS PER SHARE (EPS):

Particulars	2010-11	2009-10
Net profit as per Profit and Loss Account (Rs)	52,265,391	34,343,294
Weighted average number of equity shares in calculating basic EPS	6,065,222	6,038,246
Add: Weighted average number of equity shares outstanding prior to conversion into equity share on account of outstanding equity share warrants	-	2,698
Weighted average number of equity shares in calculating diluted EPS	6,065,222	6,040,944
Nominal value of each share (Rs)	10	10
Basic Earnings per Share (Rs)	8.62	5.69
Diluted Earnings per Share (Rs)	8.62	5.69

NOTES ON ACCOUNTS (contd.)**17. THE BREAK-UP OF MAJOR COMPONENTS OF DEFERRED TAX LIABILITIES (NET) AS ON 31ST MARCH 2011 IS AS UNDER:** (Amount in Rupees)

Particulars	As at 31st March, 2011	As at 31st March, 2010
Deferred Tax Liabilities		
Timing Difference on Depreciable Fixed Assets	40,271,686	43,270,566
Deferred Tax Assets	-	-
Deferred Tax Liabilities (Net)	40,271,686	43,270,566

18. NET AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF INTERIM DIVIDEND:

Period to which it relates	1-4-2010 to 31-3-2011	1-4-2009 to 31-3-2010
No. of non-resident shareholders	32	31
No. of Shares held	2,765,360	2,765,355
Amount remitted (₹) **	Nil *	6,908,052

* ₹ 9,671,273 remitted on 7th April 2011 which were lying under Interim Dividend Account.

** Excluding amount aggregating to ₹ 7,487 (₹ 5,336) remitted to non-resident shareholders in Indian Currency .

19. PREVIOUS YEAR COMPARATIVES:

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 Bhaswar Sarkar
 Partner
 Membership No. 55596
 Kolkata, 30th May 2011

Dr Niren Suchanti
 Chairman

Navin Suchanti
 CEO & Managing Director

Rohan Sikri
 Director

Kunal Bose
 Director

T. K. Banerjee
 Company Secretary



PROXY

Sinclairs Hotels Limited

D.P. Id* :

Folio No. :

Client Id* :

Shares held :

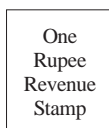
I / We _____
of _____ in the district of _____
being a Member / Members of the above named Company hereby appoint _____
_____ of _____

in the district of _____ or failing him _____
of _____ in the district of _____

as my/our proxy to vote for me /us, on my/our behalf, at the Thirtyninth Annual General Meeting of the Company, to be held at Rotary Sadan, 94/2 Jawharlal Nehru Road, Kolkata 700 020 on the 27th August, 2011 at 10.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2011

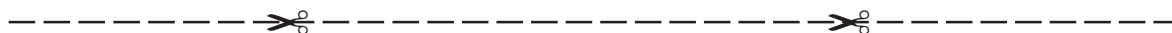
Signature of the member(s) : 1. _____
2. _____
3. _____



Notes : 1. This proxy must be deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the meeting.

2. A Proxy need not be a Member.

* Applicable for investors holding shares in dematerialised form.



SINCLAIRS HOTELS LIMITED

Attendance Slip

This Attendance Slip duly filled in is to be handled over at the entrance of the meeting hall

Name of the attending Member (in Block Letters) _____

Member's Folio Number / Client ID No. _____, DP ID No. _____ No. of shares held _____

Name of Proxy (in Block Letters, to be filled in if the Proxy attends instead of the Member) _____

I hereby record my presence at the Thirtyninth Annual General Meeting.

Member's / Proxy's Signature*

* To be signed at the time of handling over the slip

**Shareholders are requested to bring their copy of Annual Report
as no extra copy will be circulated at the venue.**

No gifts or refreshments will be provided at the meeting