



SINCLAIRS
HOTELS & RESORTS

2011-2012



A N N U A L R E P O R T

SINCLAIRS HOTELS LIMITED

CORPORATE INFORMATION

Board of Directors

Dr Niren Suchanti, Chairman
Navin Suchanti, CEO & Managing Director
Siddhartha Yog
Rohan Sikri
Kunal Bose
Hardeep Sachdeva
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

Subsidiary

Savannah Hotels Pvt. Ltd.

Hotels & Resort

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

Subsidiary's Hotel

Savannah Sarovar Premiere Bengaluru

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 Fortieth Annual General Meeting of the company will be held at Rotary Sadan, 94/2, Jawaharlal Nehru Road , Kolkata 700 020 on Friday, 24th day of August 2012 at 10:30 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Statement of Profit and Loss for the year ended March 31, 2012 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 Dr Niren Suchanti, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr Kunal Bose, 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 14th February, 2012 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
Pressman House
10A Lee Road
Kolkata 700 020
Dated: May 28, 2012

For and on behalf of the Board

T K Banerjee
Company Secretary

NOTES:

1. A member entitled to attend and vote may appoint a proxy to attend and on poll to vote in his stead. A proxy need not be a member of the company. Proxies to be effective, should be deposited at the registered office not later than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Register will remain closed from Friday, 17th August, 2012 to Friday, 24th August, 2012 (both days inclusive).
3. The Board of Directors in its meeting held on 14th February, 2012 had declared an Interim Dividend of ` 4 (40%) per equity share and paid the same to those members, whose names appeared in the register of members as on 29th February, 2012.
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 the registered office at least 10 days before the date of meeting, so that the same may be attended to appropriately.
7. A copy of Balance Sheet, Statement of Profit and Loss, Auditors' Report and every other document required by law to be annexed or attached to the Annual Report shall be available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of Annual General Meeting and is also available on the website www.sinclairsindia.com
8. Brief resume of the directors to be re-appointed are given in corporate governance report.

Green Initiative in Corporate Governance

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

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fortieth Annual Report of the company together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS

₹ in lacs

Sl. No.	Particulars	Year ended 31.03.2012	Year ended 31.03.2011
1	Gross Income (Consolidated)	1963.29	–
	Gross Income (Standalone)	1725.59	1910.28
2	Profit before depreciation and tax	609.27	851.45
3	Depreciation	148.49	140.48
4	Profit before tax	460.78	710.97
5	Provision for taxation	152.11	188.31
6	Profit after tax	308.67	522.66
7	Profit brought forward	418.14	213.02
8	Profit available for appropriation	726.81	735.68
9	Transfer to General Reserve	50.00	70.00
10	Interim Dividend	242.61	212.28
11	Tax on Dividend	39.36	35.26
12	Balance carried to Balance Sheet	394.84	418.14
		726.81	735.68

PERFORMANCE AND FUTURE PLANS

The consolidated total revenue from operations in the year under review is ₹ 19.63 crore. The consolidated revenue represents only five months of working of the hotel at Whitefield in Bengaluru – Savannah Sarovar Premiere, which was acquired by the company on 31st October, 2011. On a standalone basis, the company registered a gross revenue of ₹ 17.26 crore as compared to ₹ 19.10 crore in the last year. The drop in revenue is on account of closure of its Ooty hotel for complete refurbishment. The other four operating hotels in Siliguri, Darjeeling, Dooars and Port Blair recorded an aggregate revenue growth in excess of 10% in the current year.

The gross profit of the company for the year on a standalone basis is ₹ 6.09 crore as compared to ₹ 8.51 crore in the previous year.

The opening of the Ooty hotel after a complete makeover has received an excellent response from the guests who have stayed in our property. The company also plans to invest substantially in its hotels at Siliguri, Darjeeling and Port Blair to further enhance its facilities for superior guest experience. In addition, the full year operations of Bengaluru hotel will be reflected in the accounts. Therefore, the current year is expected to see a robust growth in revenues and profits.

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

During the year, your Directors have paid an interim dividend @40% (₹ 4 per equity share of ₹ 10) on 6,065,222 equity shares amounting to ₹ 28,196,611 (Rupees two crore eighty one lac ninety six thousand six hundred eleven only) inclusive of dividend distribution tax. The board has recommended the interim dividend as the final dividend.

DIRECTORS

Dr Niren Suchanti and Mr Kunal Bose retire by rotation and being eligible offers themselves for reappointment.

INVESTMENTS IN SAVANNAH HOTELS PVT LTD

Your Company has invested in Savannah Hotels Pvt Ltd by subscribing to 808,700 equity shares of ₹ 100 each at a premium of ₹ 40 per share representing 51.02% of the equity capital of the company. In addition, the company has invested ₹ 78,108,060 towards 7,810,806, Zero percent, Unsecured, Redeemable, Non convertible Debentures of ₹ 10 each on 31st October, 2011.

SUBSIDIARY COMPANY

Savannah Hotels Private Limited has become a subsidiary of your company effective 31st October, 2011. The details pertaining to the subsidiary company pursuant to Section 212(2) of the Companies Act, 1956 are attached and forms part of this Annual Report.

The Ministry of Corporate Affairs vide their Circular no. 5/12/2007-CL-III dated February 8, 2011 has granted a general exemption under Section 212 (8) of the Companies Act, 1956 for publication of the Accounts of subsidiary companies, subject to fulfillment of certain conditions. Accordingly, your Company is exempted from publication of the Accounts of its subsidiary and as such the accounts of the subsidiary company are not annexed in the Annual Report. However, the Consolidated

Financial Statements prepared in accordance with Accounting Standard 21(AS-21) duly audited by the Statutory Auditors, forms part of the Annual Report.

The Financial Statements of the subsidiary company and other detailed information will be made available to any member of the company seeking such information at any point of time and are also available for inspection at the Registered Office of the Company.

AUDITORS

M/s S R Batliboi & Co., Chartered Accountants (Registration No. 301003E) retire by rotation and being eligible offer themselves for reappointment.

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and of the profit of the Company for the year ended 31st March, 2012.
- iii) that the directors have taken proper and sufficient care for the maintenance of accounting records in accordance with the provisions of the Companies Act, 1956 for 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 ` 4,527,767 in foreign exchange (previous year 6,066,607). There was expenditure in foreign currency of ` 8,442,226 (previous year ` 15,213,566).

PUBLIC DEPOSITS

Your company has not accepted any deposits from the public.

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENT

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

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

Regd. Office:
Pressman House
10A Lee Road
Kolkata 700 020
May 28, 2012

For and on behalf of the Board

Dr Niren Suchanti
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis report on the business of the Company and its subsidiary is given below:

Industry Structure and Development, Opportunities and Threats

Tourism has an important role to play in the inclusive growth that the government is promoting. Globally it is recognized that tourism is a major driver of the economy for the backward and forward economic opportunities it creates.

For India to realize its tourism potential, it is imperative that the government at the centre and in states accords priority to building quality tourism infrastructure. India will eternally remain an exciting destination for foreigners and they will be here in greater numbers provided an efficient infrastructure is in place to handle the traffic. Foreign tourist arrivals here grew nearly 9 per cent to 6.29 million in 2011. But this is really small when seen against a UN report saying that in 2012, 1 billion tourists or one-seventh of humanity will be crossing international boundaries. At the same time, the much bigger size of domestic tourism remains the backbone of the Indian tourism industry.

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 improvement in technology used by Indian hotels 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 as well as discerning Indian customers.

Outlook

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

The hospitality industry will continue to be among the leading employers in India in the 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.

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 Company's five properties of the group 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 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 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
- 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 2011-2012, five meetings of the board were held. These meetings were held on 30th May, 2011, 11th August, 2011, 28th October, 2011, 14th November, 2011 and 14th February, 2012.

Particulars of Directors are given below:

Name	Designation	Category	Equity Shareholding in the Company
Dr Niren Suchanti	Chairman	Non-Executive Director	338,421
Mr Navin Suchanti	CEO and Managing Director	Executive Director	306,320
Mr Siddhartha Yog	Director	Non-Executive Independent Director	Nil
Mr Rohan Sikri	Director	Non-Executive Independent Director	Nil
Mr Kunal Bose	Director	Non-Executive Independent Director	Nil
Mr Hardeep Sachdeva	Director	Non-Executive Independent Director	Nil
Mr Ravi Bhasin	Director	Non-Executive Independent Director	Nil
Mr 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	5	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 Kunal Bose	5	5	Yes	Nil	Nil
Mr Hardeep Sachdeva	5	Nil	No	Nil	Nil
Mr Ravi Bhasin	5	Nil	No	Nil	Nil
Mr Vikash Kuthari	5	2	No	Nil	Nil

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

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	Dr Niren Suchanti	Mr Kunal Bose
Date of Birth	17.04.1949	04.01.1945
Date of appointment	30.06.1990	19.12.2009
Qualification	Ph.D. in Operation Research and Industrial Management from University of Cincinnati, USA	M.A. in International Relations from Jadavpur University, Kolkata
Expertise in specific functional area	More than 42 years experience in Advertising, Marketing, Finance and Investor Relations. He is considered as an authority in Public and Investor Relations.	He was Resident Editor of Economic Times and Correspondent of Financial Times, London. He now represents London Metal Bulletin and Dry Cargo International of the UK besides occasionally broadcasting for BBC. He also writes a weekly column for Business Standard as Analyst. He is widely travelled and is well regarded in industry and trade.
Directorships held in Other Public Companies (excluding foreign companies, and section 25 Companies)	4	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	338,421	Nil

III. Audit Committee

Terms of Reference

The Audit Committee has, *interalia*, 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.
- To review the financial statements, investments, material transactions and arrangements made by subsidiary company-Savannah Hotels Pvt. Ltd.
- To review the Company's financial and risk management policies.
- To review statement of significant related party transactions, management letters, etc.

Composition

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

Secretary

- | | |
|--------------|---------------------|
| T K Banerjee | - Company Secretary |
|--------------|---------------------|

By invitation

- | | |
|----------|---|
| B L Soni | - General Manager
(Finance & Accounts) |
|----------|---|

Meetings and attendance during the year

During the financial year 2011-2012, four meetings of the committee were held on 30th May, 2011, 11th August, 2011, 14th November, 2011 and 14th February, 2012. The time gap between two meetings was less than four months.

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

IV. Remuneration Committee

Terms of Reference

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

Composition

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

Secretary

T K Banerjee	- Company Secretary
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A. Executive Director

Details of remuneration paid to Executive Directors for the financial year ended 31st March, 2012:

Particulars	Mr Navin Suchanti CEO & Managing Director	Mr Vikash Kuthari Wholetime Director
Salary and Allowances	—	₹ 1,068,000
Contribution to PF and Family Pension Fund	—	₹ 86,400
Bonus	—	₹ 72,000
Commission	₹ 921,567	—
Service Contract	5 years(01.04.2011 to 31.03.2016)	5 years (19.06.2009 to 18.06.2014)
Notice Period	Three months	Three months
Stock Option	None	None

B. Non-Executive Directors

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

V. Investors' Grievance Committee

Terms of Reference

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
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Meeting and attendance during the year

During the financial year 2011-2012, one meeting of the committee was held on 28th October, 2011.

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
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
2010-11	27.08.2011	Rotary Sadan 94/2, J L Nehru Road, Kolkata 700020	10:30 am

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

Sl No	Date	AGM/EGM	Particulars
1	19.09.2009	AGM	Nil
2.	17.09.2010	AGM	Nil
3.	27.08.2011	AGM	a) Re-appointment of Mr Navin Suchanti as CEO & Managing Director. b) Appointment of Ms Pooja Suchanti as Chief of Communications.

VII. Disclosures

- i. There were no material and significant related party transactions, with its promoters, the directors or the management or relatives, etc. that may have potential conflict with the interests of the Company at large. Transactions with the related parties have been disclosed in Note No. 28 to the Accounts in the Annual Report.
- ii. 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.

Subsidiary Company

The Company has a subsidiary company -- Savannah Hotels Private Limited effective 31st October, 2011.

CFO

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

Non-mandatory Requirements

i. The Board

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

ii. Shareholders Rights

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

iii. Audit qualifications

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

iv. Training of Board Members

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

v. Mechanism for evaluating non-executive Board Members

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

VIII. Means of Communication

Quarterly Results

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

IX. General Shareholder Information

a. Annual General Meeting:

Date	Day	Venue	Time
24th August 2012	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, 2012	Within 14th August , 2012
Results for quarter ending September 30, 2012	Within 14th November, 2012
Results for quarter ending December 31, 2012	Within 14th February, 2013
Results for quarter ending March 31, 2013	Within 30th May, 2013
AGM for the year ending March 31, 2013	By end of September, 2013

c. Book Closure :

From Friday, 17th August, 2012 to Friday, 24th August, 2012 (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 company has paid an interim dividend @40% (₹ 4 per equity share of ₹ 10) on 6,065,222 equity shares amounting to ₹ 28,196,611 (Rupees two crore eighty one lac ninety six thousand six hundred eleven only) inclusive of dividend distribution tax. The board has recommended the interim dividend as the final dividend.

e. Market price data:

Monthly high/low – (₹ /share) during 2011-2012)

Market data at Bombay Stock Exchange Ltd (BSE)

Month	Share Prices at BSE		BSE Sensex	
	High	Low	High	Low
April, 2011	308.80	292.00	19811.14	18976.19
May, 2011	301.95	265.00	19253.87	17786.13
June, 2011	297.95	274.55	18873.39	17314.38
July, 2011	270.00	240.55	19131.70	18131.86
August, 2011	320.25	228.55	18440.07	15765.53
September, 2011	326.75	296.50	17211.80	15801.01
October, 2011	321.00	272.05	17908.13	15745.43
November, 2011	306.00	277.50	17702.26	15478.69
December, 2011	279.00	221.60	17003.71	15135.86
January, 2012	290.00	245.25	17258.97	15358.02
February, 2012	283.00	248.00	18523.78	17061.55
March, 2012	280.00	252.20	18040.69	16920.61

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	2266	98.54	92394	1.54
501-1000	15	0.65	12390	0.20
1001-5000	7	0.30	12031	0.19
5001-10000	3	0.13	22546	0.37
10001-50000	1	0.04	33000	0.54
50001-100000	1	0.04	68600	1.13
100001 & above	7	0.30	5824261	96.03
Total	2300	100.00	6065222	100.00

Category	No. Shares	%
Promoters	3132878	51.65
Mutual Funds, UTI	Nil	Nil
Banks, FIs, Insurance Cos, Govt. & Non-Govt. Institutions	2205	0.04
Private Corporate Bodies	170092	2.80
Public (Indian)	121711	2.01
NRIs / OCBs	1889	0.03
Foreign Companies	2635821	43.46
Clearing Member	626	0.01
Total	6065222	100.00

i. Dematerialisation of shares:

Out of total paid up capital of 6,065,222 equity shares as on 31st March, 2012, 5,962,348 equity shares (98.30%) and 22,682 equity shares (0.37%) are held in dematerialised form at NSDL and CDSL respectively.

j. Outstanding Instruments:

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

k. Location of hotels and resort:
Hotels Sinclairs Siliguri

PO Pradhan Nagar, Siliguri 734 403

Hotel Sinclairs Darjeeling

18/1, Gandhi Road, Darjeeling 734 101

Sinclairs Retreat Dooars

Chalsa Hilltop, Jalpaiguri 735 206

Sinclairs Retreat Ooty

Gorishola Road, Ootacamund 643 001

Hotel Sinclairs Bayview

South Point, Port Blair
 Andaman Islands 744 106

Subsidiary's Hotel
Savannah Sarovar Premiere

43/3 Whitefield Main Road
 Bengaluru 560067

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

I. 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, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance

as stipulated in the above mentioned Listing Agreement, *except that no independent director in the board of the Company is a director in its subsidiary company.*

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: May 28, 2012

per Sanjoy K Gupta
 Partner
 Membership No: 54968

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, 2012.

Kolkata
 May 28, 2012

Navin Suchanti
 CEO & Managing Director

AUDITOR'S REPORT ON THE FINANCIAL STATEMENT

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, 2012 and also the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Statement of Profit and Loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at March 31, 2012 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, 2012;
 - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c) in the case of 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 Sanjoy K Gupta
 Partner

Place: Kolkata
 Date: May 28, 2012

Membership No: 54968

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, 2012)

- (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 have 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 an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) To the best of our knowledge and as explained to us, 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 appropriate authorities, During the year, the Company did not have any dues towards wealth tax and excise duty.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, 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,	12.36 lacs	1994-95 and 2005-06	Senior Joint Commissioner of Commercial Tax
	disallowance of remission and input tax credit etc.	20.45 lacs	2006-07 and 2007-08	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 from banks or financial institutions 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 pledged its investment in the equity shares of its subsidiary company for loan taken by such subsidiary from a financial institution, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company, apart from this it has not given any guarantee for 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 Sanjoy K Gupta

Partner

Place: Kolkata

Date: May 28, 2012

Membership No: 54968

BALANCE SHEET AS AT 31ST MARCH, 2012

	Notes	As at 31st March 2012	As at 31st March 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	60,652,220	60,652,220
Reserves and Surplus	4	747,604,203	760,188,150
		808,256,423	820,840,370
Non Current Liabilities			
Deferred Tax Liability (Net)	5	40,715,672	40,271,686
Other Long Term Liabilities	6	5,759,481	2,912,875
		46,475,153	43,184,561
Current Liabilities			
Trade Payables	6	8,431,305	4,251,981
Other Current Liabilities	6	72,310,564	29,927,989
Short Term Provisions	7	775,875	658,950
		81,517,744	34,838,920
TOTAL		936,249,320	898,863,851
ASSETS			
Non-Current Assets			
Fixed Assets	8		
Tangible Assets		401,447,128	331,059,577
Intangible Assets		2,295,037	4,590,074
Capital Work-in-Progress		137,788,808	116,568,955
Non Current Investments	9	191,326,060	-
Long Term Loans and Advances	10	7,293,302	11,348,400
Other Non Current Assets	12	6,088,820	5,603,930
		746,239,155	469,170,936
Current Assets			
Current Investments	13	115,970,977	-
Inventories	14	2,867,590	1,957,762
Trade Receivables	11	5,919,074	5,860,308
Cash and Bank Balances	15	33,947,259	410,763,655
Short Term Loans and Advances	10	11,586,019	3,107,323
Other Current Assets	12	19,719,246	8,003,867
		190,010,165	429,692,915
TOTAL		936,249,320	898,863,851
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statement.

As per our report of even date

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

per Sanjoy K Gupta
Partner
Membership No. 54968
Kolkata, May 28, 2012

For and on behalf of the Board of Directors

Dr Niren Suchanti
Chairman

Kunal Bose
Director

Navin Suchanti
CEO & Managing Director

T K Banerjee
Company Secretary

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	Notes	Year ended 31st March 2012	Year ended 31st March 2011
INCOME			
Revenue from Operations	16	144,690,881	149,876,143
Other Income	17	27,868,091	41,151,996
		<u>172,558,972</u>	<u>191,028,139</u>
EXPENSES			
Food, Beverage and Stores Consumed	18	19,803,948	20,105,527
Employee Benefits Expense	19	29,455,997	26,099,895
Other Expenses	20	62,371,198	59,678,356
		<u>111,631,143</u>	<u>105,883,778</u>
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)		60,927,829	85,144,361
Depreciation and Amortization	21	14,849,477	14,047,849
Profit Before Tax		<u>46,078,352</u>	<u>71,096,512</u>
Tax Expense			
Current Tax		14,767,422	21,830,000
Deferred Tax Charge/(Credit)		443,986	(2,998,879)
		<u>15,211,408</u>	<u>18,831,121</u>
Profit After Tax		<u>30,866,944</u>	<u>52,265,391</u>
Earnings Per Share [Nominal Value per share ` 10 (Previous year ` 10)]	22		
Basic and Diluted		5.09	8.62

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statement

As per our report of even date

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

per Sanjoy K Gupta
 Partner
 Membership No. 54968
 Kolkata, May 28, 2012

For and on behalf of the Board of Directors

Dr Niren Suchanti
 Chairman

Kunal Bose
 Director

Navin Suchanti
 CEO & Managing Director

T K Banerjee
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-12	2010-11
A. Cash Flow from Operating Activities		
Net Profit before Taxes	46,078,352	71,096,512
Adjustments For :		
Depreciation / Amortization	14,849,477	14,047,849
Profit on Redemption of Investments	(1,598,528)	(12,463,060)
Interest Income (Net)	(23,989,939)	(27,725,564)
Loss on Sale/Discard of Fixed Assets	838,297	2,658,101
Liabilities no longer required written back	(92,989)	(64,527)
Operating profit before working capital changes	36,084,670	47,549,311
Movements in working capital :		
Trade Receivables	(58,766)	(1,133,159)
Inventories	(909,828)	35,252
Long Term Loans and Advances	(196,365)	(198,904)
Short Term Loans and Advances	(536,652)	831,981
Trade Payables	4,272,313	3,198,124
Short-Term Provisions	116,925	369,067
Other Non Current Liabilities	2,846,606	2,912,875
Other Current Liabilities	2,168,992	(2,663,981)
Cash Generated From Operation	43,787,895	50,900,566
Direct Taxes Paid (net)	(15,263,790)	(20,499,441)
Net Cash Flow from Operating Activities	28,524,105	30,401,125
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(121,678,876)	(175,288,205)
Proceeds from Sale of Fixed Assets	49,898,750	635,696
Purchase of equity shares in subsidiary company *	(113,218,000)	-
Purchase of debentures in subsidiary company*	(78,108,060)	-
Loan given to subsidiary company*	(8,000,000)	-
Purchase of Current Investments	(227,500,000)	(34,750,000)
Proceeds from Sale/ Maturity of Current Investment	113,127,551	201,484,048
Purchase of bank deposits (having original maturity of more than three months)	(51,188,825)	(393,212,667)
Maturity of bank deposits (having original maturity of more than three months)	407,869,234	-
Interest Income	29,175,779	32,650,335
Net Cash used in Investing Activities	377,553	(368,480,793)
C. Cash Flow from Financing Activities		
Dividends Paid	(45,101,922)	(24,163)
Tax on Dividend Paid	(3,935,723)	(3,525,752)
Net Cash from / (Used in) in Financing Activities	(49,037,645)	(3,549,915)
Net Increase in Cash and Cash Equivalents (A+B+C)	(20,135,987)	(341,629,583)
Cash and cash equivalents at the beginning of the year	23,094,421	364,724,004
Cash and cash equivalents at the end of the year	2,958,434	23,094,421
Components of cash and cash equivalents		
Balance with banks		
On current accounts	2,117,631	1,450,630
On unpaid dividend account **	485,862	98,619
Interim dividend account **	-	21,228,277
Cash on hand	354,941	316,895
Cash and Bank Balances as per Note 15	2,958,434	23,094,421

* Savannah Hotels Private Limited became a subsidiary of the Company with effect from October 31, 2011

** 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

per Sanjoy K Gupta

Partner

Membership No. 54968

Kolkata, May 28, 2012

For and on behalf of the Board of Directors

Dr Niren Suchanti
Chairman

Navin Suchanti
CEO & Managing Director

Kunal Bose
Director

T K Banerjee
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

1. CORPORATE INFORMATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of assets for which revaluation is carried out. The accounting policies applied by the Company, are consistent with those used in the previous year except for changes in the presentation and disclosures of the financial statements and recognition of dividend income from subsidiary company as described in Notes. 2(b) and 34 below.

(b) Change in accounting policy

Presentation and disclosure of financial statements:

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, for preparation and presentation of its financial statements has become applicable to the Company. Except accounting for dividend on investments in subsidiary companies (see below), the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

Dividend on investment in subsidiary companies:

Till the year ended 31 March 2011, the Company, in accordance with the prerevised Schedule VI requirement, had the policy of recognizing dividend declared by subsidiary company after the reporting date in the current year's statement of profit and loss, if such dividend pertained to the period ending on or before the reporting date. The revised Schedule VI, applicable for financial years commencing on or after 1 April 2011, does not contain this requirement. Hence, to comply with AS 9 Revenue Recognition, the Company has changed its accounting policy for recognition of dividend income from subsidiary company. In accordance with the revised policy, the Company recognizes dividend as income only when the right to receive the same is established by the reporting date. However, as there was no income on account of dividend from subsidiary companies in the previous year as well as current year, there is no impact on the profit for the year due to change in this accounting policy.

(c) Use of estimates

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

(d) Tangible Fixed Assets

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

(e) 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 lease period of 99 years.

iv. Depreciation on revalued assets is provided at the rates specified in Schedule XIV of the Companies Act, 1956. However, in case of fixed assets whose life is determined by the valuer to be less than their useful life under Schedule XIV, depreciation is provided at the higher rates, to ensure the write off of these assets over their useful life, incidentally such rates coincide with the rates specified in Schedule XIV of the Companies Act, 1956.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012
(f) 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.

(g) Leases

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

(h) 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.

(i) Investments

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

(j) 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.

(k) Revenue Recognition

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

i. Income from Services

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

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

ii. Interest

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

iii. Dividends

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

(L) Foreign Currency Transaction
i. Initial Recognition

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

ii. Conversion

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

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.

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

(N) 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.

(O) 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 segment is not applicable to the Company.

(P) Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net result for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(Q) Provisions

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

(R) Contingent liabilities

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

(S) Cash and cash equivalents

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

(T) Measurement of EBITDA

As permitted by the Guidance Note issued by Institute of Chartered Accountants of India on the Revised Schedule VI to the Companies Act, 1956, the Company has opted to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	As at 31st March, 2012	As at 31st March, 2011
3 SHARE CAPITAL		
Authorized Share Capital		
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 fully paid-up shares		
6,065,222 Equity Shares of ` 10/- each fully paid-up	60,652,220	60,652,220

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

(b) Terms/ rights attached to equity shares

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

During the year ended 31 March 2012, the dividend amount per share recognized as distribution to equity shareholders was ` 4.00 (31 March 2011: ` 3.50).

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

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

Name of the shareholders	As at 31 March 2012		As at 31 March 2011	
	No of Equity Shares	% holding	No of Equity Shares	% holding
Equity shares of ` 10 each fully paid up				
Xander Investment Holding X Ltd	1,979,221	32.63%	1,979,221	32.63%
Pramina Suchanti	1,256,224	20.71%	1,256,224	20.71%
Sujata Suchanti	1,231,613	20.31%	1,231,613	20.31%
MCCS Investment Holding Ltd.	588,000	9.69%	588,000	9.69%
Dr. Niren Suchanti	338,421	5.58%	281,915	4.65%
Navin Suchanti	306,320	5.05%	306,320	5.05%

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	As at 31st March, 2012	As at 31st March, 2011
4 RESERVES AND SURPLUS		
Capital Reserve		
Amalgamation Reserve		
Balance as per last financial statements	<u>7,279,767</u>	<u>7,279,767</u>
Capital Redemption Reserve		
Balance as per last financial statements	<u>12,280,000</u>	<u>12,280,000</u>
Capital Investment Subsidy		
Balance as per last financial statements	<u>8,136,724</u>	<u>8,136,724</u>
Securities Premium Account		
Balance as per last financial statements	<u>509,405,585</u>	<u>509,405,585</u>
Revaluation Reserve		
Balance as per last financial statements	50,792,256	51,033,088
Less: amount transferred to the statement of profit and loss as reduction from depreciation (refer note 21)	240,832	240,832
Less: adjusted against revalued fixed asset held for sale (refer note 12)	15,013,448	–
Closing Balance	<u>35,537,976</u>	<u>50,792,256</u>
General Reserve		
Balance as per last financial statements	130,480,181	123,480,181
Add: amount transferred from surplus balance in the statement of profit and loss	5,000,000	7,000,000
Closing Balance	<u>135,480,181</u>	<u>130,480,181</u>
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	41,813,637	21,302,275
Add: Profit for the year	30,866,944	52,265,391
	<u>72,680,581</u>	<u>73,567,666</u>
Appropriations:		
Interim Dividend		
[amount per share ` 4.00 (previous year ` 3.50)]	24,260,888	21,228,277
Tax on Interim Dividend	3,935,723	3,525,752
Transfer to General Reserve	5,000,000	7,000,000
Net surplus in the statement of profit and loss	<u>39,483,970</u>	<u>41,813,637</u>
	<u>747,604,203</u>	<u>760,188,150</u>
5 DEFERRED TAX LIABILITY		
Deferred Tax Liability		
Timing difference on depreciable fixed assets	40,715,672	40,271,686
	<u>40,715,672</u>	<u>40,271,686</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012
6 OTHER LIABILITIES

	Non-Current		Current	
	<u>31st March 2012</u>	<u>31st March 2011</u>	<u>31st March 2012</u>	<u>31st March 2011</u>
Trade Payables				
For goods (refer note 24 for details of dues to micro and small enterprises)			3,100,981	1,310,398
For other expenses			5,330,324	2,941,583
			8,431,305	4,251,981
Other Liabilities				
Advances from customers			4,548,632	3,550,342
Advances against sale of assets (refer note 12)			49,817,625	–
Unclaimed dividend (amount will be credited to Investor Education and Protection Fund when due)			485,862	98,619
Interim dividend payable			–	21,228,277
Other Payables				
Advance membership fees received	5,759,481	2,912,875		
Deposits received from others			551,000	497,000
Creditors for fixed assets			15,300,435	4,063,443
Statutory dues			1,607,010	490,308
	5,759,481	2,912,875	72,310,564	29,927,989

7 PROVISIONS
Provision for employee benefits

	Short-Term	
	<u>31st March 2012</u>	<u>31st March 2011</u>
Gratuity	775,875	658,950
	775,875	658,950

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

8 FIXED ASSETS

	Tangible Asset										Intangible Asset	
	Freehold Land	Leasehold Land	Building	Plant and equipment	Furniture and fixture	Electrical installation	Vehicles	Office equipment	Total	Goodwill	Capital Work in Progress	
COST OR REVALUED												
At 1 April 2010	49,696,876	2,765,576	224,981,429	60,198,697	63,675,446	12,749,674	4,775,046	4,094,470	422,937,214	15,300,249	1,81,98,478	
Additions	62,362,500		714,000	2,368,712	3,773,221	425,261	687,538	202,476	69,819,708		9,83,70,477	
Disposals				1,025,768	19,902,911	204,941			21,847,620			
At 31 March 2011	112,059,376	2,765,576	224,267,429	61,541,641	47,545,756	12,969,994	5,462,584	4,296,946	470,909,302	15,300,249	11,65,68,955	
Additions	269,650		33,237,181	17,715,304	34,467,823	11,255,982	1,761,488	509,805	99,217,233		13,48,08,966	
Disposals				1,327,474	2,274,532	118,426	235,908	1,792,944	5,749,284		9,63,04,544	
Transfer to fixed asset held for sale	15,114,988								15,114,988		1,72,84,569	
At 31 March 2012	97,214,038	2,765,576	257,504,610	77,929,471	79,739,047	24,107,550	6,988,164	3,013,807	549,262,263	15,300,249	13,77,88,808	
DEPRECIATION												
At 1 April 2010	-	419,027	59,357,484	31,995,190	40,826,655	6,946,086	1,944,234	3,133,239	144,621,915	8,415,138	-	
Charge for the year	-	27,935	3,664,288	2,360,086	4,456,688	482,564	509,178	492,905	11,993,644	2,295,037	-	
Disposals			168,963	601,716	15,901,840	93,315			16,765,834		-	
At 31 March 2011	-	446,962	62,852,809	33,753,560	29,381,503	7,335,335	2,453,412	3,626,144	139,849,725	10,710,175	-	
Charge for the year		28,318	3,663,525	2,537,471	4,675,042	1,076,261	504,602	310,053	12,795,272	2,295,037	-	
Disposals				650,483	2,088,499	73,823	224,113	1,792,944	4,829,862		-	
At 31 March 2012	-	475,280	66,516,334	35,640,548	31,968,046	8,337,773	2,733,901	2,143,253	147,815,135	13,005,212	-	
NET BLOCK												
31st March, 2011	112,059,376	2,318,614	161,414,620	27,788,081	18,164,253	5,634,659	3,009,172	670,802	331,059,577	4,590,074	11,65,68,955	
31st March, 2012	97,214,038	2,290,296	190,988,276	42,288,923	47,771,001	15,769,777	4,254,263	870,554	401,447,128	2,295,037	13,77,88,808	

a) Revaluation: The Company has revalued land and building situated at Siliguri and Darjeeling in the year 1993, the total increase on such revaluation being ` 35,745,982 (previous year ` 50,759,430). Land and Building situated at Port Blair were revalued in the year 1994 resulting in a net increase of Rs.13,735,921 (previous year ` 13,735,921)

b) Building includes those constructed on leasehold land, Gross Block ` 71,332,985 (previous year ` 69,169,348), Depreciation charge for the year ` 1,130,645 (previous year ` 1,127,460), Accumulated depreciation ` 13,032,929 (previous year ` 11,902,284), Net book value ` 58,300,055 (previous year ` 57,267,064).

(c) Freehold land and capital work in progress include costs aggregating ` 105,561,326 (previous year ` 105,539,801) relating to a project where the construction work will commence on receipt of necessary approvals from appropriate authorities.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	As at 31st March, 2012	As at 31st March, 2011
9 NON CURRENT INVESTMENT		
Trade investments - Unquoted (valued at cost)		
Investments in subsidiary 808,700 (previous year nil) equity shares of ` 100 each fully paid-up in Savannah Hotels Private Limited	113,218,000	–
Debentures 7,810,806 (previous year nil) Zero rated Debentures of ` 10 each, fully paid up, in Savannah Hotels Private Limited, due for redemption on April 30, 2013 at par.	78,108,060	–
	191,326,060	–
Aggregate amount of unquoted investments:	191,326,060	–

- (a) The Company subscribed to these equity shares and debentures of Savannah Hotels Private Limited on October 31, 2011. The subscription to equity shares represents 51.02% shareholding of Savannah Hotels Private Limited.
- (b) The above shares are pledged with Tourism Finance Corporation of India Limited against the outstanding loan of ` 115,358,000 of the subsidiary company, Savannah Hotels Private Limited.

	Non-Current		Current	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
10 LOANS AND ADVANCES (Unsecured, considered good)				
Capital Advances	4,080,222	8,886,009		
Security Deposits	477,578	621,832	128,000	31,064
Loan to a subsidiary company *	–	–	8,000,000	–
Advances recoverable in cash or kind	549,944	555,345	235,914	79,365
Other Loans and Advances				
Loans to employees (Interest Free)	150,000	–	311,171	287,781
Advance Income Tax (net of provision for Taxation)	1,800,688	1,246,364	1,246,365	1,304,321
Prepaid Expenses	234,870	38,850	1,401,422	1,153,301
Balance with service tax and VAT authorities	–	–	263,147	251,491
	2,185,558	1,285,214	3,222,105	2,996,894
	7,293,302	11,348,400	11,586,019	3,107,323

* Loan given to Savannah Hotels Private Limited. Maximum amount outstanding at anytime during the year is ` 8,000,000 (previous year ` nil).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	As at 31st March 2012 (`)		As at 31st March 2011 (`)	
11 TRADE RECEIVABLES				
(Unsecured, considered good)				
Outstanding for a period exceeding six months from the date they are due for payment	1,410,880		1,451,719	
Other receivables	4,508,194		4,408,589	
	<u>5,919,074</u>		<u>5,860,308</u>	
	Non-Current		Current	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
12 OTHER ASSETS				
(Unsecured, considered good)				
Margin Money Deposit with bank (note15)	5,543,433	5,543,433		
Fixed assets held for sale (at net book value, being lower than estimated net relisable value)*			17,386,109	-
Interest Accrued, but not due on margin money/deposits with bank	545,388	60,497	2,333,137	8,003,867
	<u>6,088,821</u>	<u>5,603,930</u>	<u>19,719,246</u>	<u>8,003,867</u>
* Represents freehold land, possession of which is yet to be handedover, pending performance of obligations under the terms of agreement.				
13 CURRENT INVESTMENTS				
(Unquoted Mutual Funds)				
Long-term investments (valued at cost)				
1,000,000 units of HDFC Mutual Fund-FMP 370D Feb 2012(2) SR XXI Growth (Face value ` 10 each)			100,000,000	-
Current investments (valued at lower of cost and fair value, unless stated otherwise)				
750,000 units of HDFC Mutual Fund- FMP 92D March 2012(1) Growth (Face value ` 10 each)			7,500,000	-
(Unquoted Mutual Funds)				
367,617 units of HDFC Mutual Fund- Treasury Advantage Plan- Growth (Face value ` 10 each)			8,470,977	-
			<u>115,970,977</u>	<u>-</u>
Agregate amount of unquoted investment			115,970,977	-
14 INVENTORIES				
(valued at lower of cost and net realizable value)				
Food and Beverages			1,513,551	1,237,862
Linen, Curtains, Housekeeping Items etc.			1,354,039	719,900
			<u>2,867,590</u>	<u>1,957,762</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	Non-Current		Current	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
15 CASH AND BANK BALANCES				
Cash and Cash equivalents				
Balance with banks				
on current accounts			2,117,631	1,450,630
On unpaid dividend account			485,862	98,619
Interim dividend account			–	21,228,277
Cash on hand			354,941	316,895
			2,958,434	23,094,421
Other Bank Balances				
Deposits with original maturity for more than twelve months			–	387,647,734
Deposits with original maturity for more than three months but less than twelve months			30,988,825	21,500
Margin money deposit*	5,543,433	5,543,433		
	5,543,433	5,543,433	30,988,825	387,669,234
Amount as disclosed under non-current assets (note 12)	(5,543,433)	(5,543,433)		
Net	–	–	33,947,259	410,763,655

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

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
16 REVENUE FROM OPERATIONS		
Sale of services		
Room	86,079,430	91,870,567
Food and Beverages	47,529,556	48,232,199
Other operating revenues		
Car Hire Income	5,245,506	4,276,760
Others	5,836,389	5,496,617
	144,690,881	149,876,143
17 OTHER INCOME		
Interest Income		
- Deposits with Banks	23,650,616	27,706,101
- Loan to subsidiary company	202,520	–
- Others	136,803	19,463
Net Gain on sale of current investments	1,598,528	12,463,060
Compensation received for surrender of tenancy	1,524,920	–
Liabilities no longer required written back	92,989	64,527
Net foreign exchange gain	–	46,711
Other non-operating income	661,715	852,134
	27,868,091	41,151,996

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
18 FOOD AND BEVERAGE CONSUMED		
Inventory at the beginning of the year	1,237,862	1,061,471
Add: Purchases	20,079,637	20,281,918
	<u>21,317,499</u>	<u>21,343,389</u>
Less : Inventory at the end of the year	1,513,551	1,237,862
	<u>19,803,948</u>	<u>20,105,527</u>
Details of Consumption		
Food and Groceries	16,950,681	17,056,600
Beverages and Wines	2,853,267	3,048,927
	<u>19,803,948</u>	<u>20,105,527</u>
19 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus etc.	24,212,342	21,383,123
Contribution to Provident and Other Funds	2,324,453	2,020,209
Staff welfare expenses	2,919,202	2,696,563
	<u>29,455,997</u>	<u>26,099,895</u>
20 OTHER EXPENSES		
Linen, Curtains, Housekeeping Items etc.	9,516,205	6,163,491
Power and Fuel	13,514,101	13,267,854
Rent	981,218	705,979
Rates and Taxes	2,675,883	2,544,091
Insurance	614,193	492,117
Repairs and Maintenance :		
Plant and Machinery	1,301,662	726,490
Buildings	2,733,713	2,456,414
Others	4,467,397	7,063,312
Advertisement and Sales Promotion	4,582,498	3,734,862
Commission to Selling Agents	2,452,763	3,663,469
Travelling and Conveyance	2,435,455	2,479,664
Motor Car Expenses	1,673,912	1,533,069
Bank Charges	538,161	794,290
Car and Other Hire Charges	4,403,615	3,517,073
Communication Costs	728,031	838,077
Musical Expenses	694,356	844,366
Printing and Stationery	813,424	555,171
Legal and Professional Fees	2,140,515	1,393,105
Directors' Fees	67,500	115,000
Remuneration to Auditor		
As auditor:		
Statutory Audit	525,000	525,000
Limited Review	375,000	350,000
Audit of Consolidated Financial Statement	200,000	-
Reimbursement of Service Tax and Out-of-Pocket Expenses	194,079	108,757
In Other Capacity in respect of Certification	-	5,000
Loss on Sale / Discard of Fixed Assets	838,297	2,658,101
Loss on Exchange Fluctuations (Net)	125,384	-
Miscellaneous Expenses	37,78,836	31,43,604
	<u>62,371,198</u>	<u>59,678,356</u>
21 DEPRECIATION AND AMORTIZATION		
Depreciation on Tangible Assets	12,795,272	11,993,644
Amortization on Intangible Assets	2,295,037	2,295,037
	<u>15,090,309</u>	<u>14,288,681</u>
Less: Transferred from Revaluation Reserve	240,832	240,832
	<u>14,849,477</u>	<u>14,047,849</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012
22. EARNINGS PER SHARE (EPS)

Particulars		2011-12	2010-11
Net profit as per statement of profit and loss	∞	30,866,944	52,265,391
Weighted average number of equity shares in calculating basic EPS	Nos.	6,065,222	6,065,222
Nominal value of each share	∞	10	10
Basic and Diluted Earning per Share	∞	5.09	8.62

23. GRATUITY PLAN

The Company has a defined benefit gratuity plan for its employees. Every employee who has completed five years or more of service is entitled to gratuity at the rate of 15 days last drawn salary for each completed year of service, in terms of Payment of Gratuity Act, 1972. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans.

Statement of Profit and Loss

Net employee benefit expense

(Amount in Rupees)

Particulars	2011-12	2010-11
Current service cost	342,888	263,242
Interest cost on benefit obligation	292,551	236,003
Expected return on plan assets	(317,813)	(256,600)
Net actuarial loss recognised in the year	458,249	504,747
Past service cost	–	–
Net benefit expense	775,875	747,392
Actual return on plan assets	317,813	256,600

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

Balance Sheet

Details of Provision for Gratuity

(Amount in Rupees)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Defined benefit obligation	4,451,246	3,656,882
Fair value of plan assets	3,675,371	2,997,932
	775,875	658,950
Less: Unrecognised past service cost	–	–
Net Liability	775,875	658,950

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

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

(Amount in Rupees)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Opening defined benefit obligation	3,656,882	2,950,041
Interest cost	292,551	236,003
Current service cost	342,888	263,242
Benefits paid	(299,324)	(297,151)
Actuarial losses on obligation	458,249	504,747
Plan Amendments	–	–
Closing defined benefit obligation	4,451,246	3,656,882

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

(Amount in Rupees)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Opening fair value of the plan assets	2,997,932	2,660,158
Expected return	317,813	256,600
Contributions by employer	658,950	378,325
Benefits paid	(299,324)	(297,151)
Actuarial gains / (losses)	–	–
Closing fair value of plan assets	3,675,371	2,997,932

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

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

Particulars	As at 31st March, 2012	As at 31st March, 2011
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	2011-12	2010-11
Discount rate	8.00 %	8.00 %
Expected rate of return on assets	9.15 %	9.15 %
Expected rate of future salary increase	5.50 %	5.00 %
Mortality Table	LIC (1994-96) ultimate	LIC (1994-96) ultimate

Amount incurred as expense for defined contribution plans :

Particulars	2011-12	2010-11
Contribution to Provident Fund	1,548,578	1,295,019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

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

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

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Defined benefit obligation	4,451,246	3,656,882	2,950,041	2,582,019	2,052,000
Plan assets	3,675,371	2,997,932	2,660,158	2,341,191	–
Deficit / (Surplus)	775,875	658,950	289,883	240,828	2,052,000

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

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

25 SEGMENT INFORMATION

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

26 CAPITAL COMMITMENT:

(Amount in Rupees)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Estimated amount of contracts remaining to be executed on capital contract and not provided for (Net of Advances)	27,313,544	39,613,001

27. CONTINGENT LIABILITIES NOT PROVIDED FOR

(Amount in Rupees)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Sales Tax matters under dispute / appeal	409,875	1,129,836
EPCG (Duty saved amount on outstanding export obligations)	2,967,451	–

28. RELATED PARTY DISCLOSURES

(a) Names of related parties:

Key Management Personnel	Mr Navin Suchanti (CEO & Managing Director) Mr Vikash Kuthari (Wholetime Director)
Relatives of Key Management Personnel	Dr. Niren Suchanti (Chairman) Ms. Pooja Suchanti (Chief of Communications)
Subsidiary Company	Savannah Hotels Private Limited, (with effect from October 31, 2011)
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 TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012
(b) Related Party Transactions :

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Subsidiary Company	Enterprises owned or significantly influenced by key management personnel or their relatives				Total
	Mr. Navin Suchanti	Mr. Vikash Kuthari	Dr. Niren Suchanti	Ms. Pooja Suchanti	Savannah Hotels Pvt. Ltd.	Pressman Properties Limited	Pressman Realty Limited	Son-et-Lumiere Art Gallery Pvt. Ltd.	Pressman Advertising Limited	
Directors' Remuneration	921,567	1,226,400								2,147,967
	(1,421,930)	(961,440)								(2,383,370)
Directors' Sitting Fees			25,000							25,000
			(15,000)							(15,000)
Salary, Wages Bonus and Contribution to Provident and Other Funds				586,080						586,080
				-						-
Electricity Charges						67,299				67,299
						(67,232)				(67,232)
Rent						529,440	330,900	96,000		956,340
						(330,900)	(231,636)	(96,000)		(658,536)
Advertising and Sales Promotion									3,301,682	3,301,682
									(2,380,952)	(2,380,952)
Interest Income					202,520					202,520
					-					-
Loan to Subsidiary Company					8,000,000					8,000,000
					-					-
Investment in Equity Shares of Subsidiary company					113,218,000					113,218,000
					-					-
Investment in Debentures of Subsidiary company					78,108,060					78,108,060
					-					-
Balance Payable at year end - Trade payable	546,567	-							31,260	577,827
	(921,930)	(55,200)							-	(977,130)
Balance Receivable at year end - Short Term Loans and Advances					8,000,000					8,000,000
					-					-

Previous year's figures given in brackets.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012
29. VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	2011-12	2010-11
Capital goods	7,939,475	14,591,046

30. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Particulars	2011-12	2010-11
Advertisement and Sales Promotion	150,719	218,430
Commission	–	2,910
Travelling and Conveyance	–	401,180
	150,719	622,520

31. INDIGENOUS FOOD, BEVERAGE AND STORES CONSUMED

Particulars	Percentage of total consumption		2011-12	2010-11
	2011-12	2010-11		
Indigenous	100.00	100.00	19,803,948	20,105,527
Imported	–	–	–	–

32. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

Particulars	2011-12	2010-11
Income from services	4,527,767	6,066,607

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

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

Period to which it relates	1-4-2011 to 31-3-2012	1-4-2010 to 31-3-2011
No. of non-resident shareholders	31	32
No. of Shares held	2,637,710	2,765,360
Amount remitted (₹) **	10,543,284	9,671,273*

* Remitted on 7th April 2011.

** Excluding amount aggregating to ₹ 7,566 (₹ 7,487) remitted to Non-resident shareholders in Indian Currency.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012**34. PREVIOUS YEAR FIGURES**

During the year ended 31st March 2012, revised Schedule VI notified under the Companies Act, 1956 for preparation and presentation of the financial statements became applicable to the Company. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

As per our report of even date

For S. R. Batliboi & Co.

Firm Registration Number 301003E

Chartered Accountants

per Sanjoy K Gupta

Partner

Membership No. 54968

Kolkata, May 28, 2012

For and on behalf of the Board of Directors

Dr Niren Suchanti

Chairman

Navin Suchanti

CEO & Managing Director

Kunal Bose

Director

T K Banerjee

Company Secretary

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code
 Balance Sheet date
 Date Month Year

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

Public Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	Rights Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>
Bonus Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	Private Placement	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>

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

Sources of Funds	Total Liabilities	Total Assets
	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="9"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="9"/>
	Paid-up Capital	Reserves and Surplus
	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="2"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="4"/>
	Deferred Tax Liabilities	Secured Loans
	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="6"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
	Current Liabilities	Non Current Liabilities
	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="8"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="9"/>
Application of Funds	Net Fixed Assets	Non Current Investments
	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="1"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="6"/>
	Current Assets	Long Term Loan and Advance
	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="3"/>
		Other Non Current Assets
		<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="9"/>

IV. Performance of Company (Amount in ` Thousand)

Sources of Funds	Turnover	Total Expenditure
	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="9"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="1"/>
	+ - Profit/Loss before Depreciation and Tax	+ - Profit/Loss Before Tax
	<input checked="" type="checkbox"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="8"/>	<input checked="" type="checkbox"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="8"/>
	+ - Profit/Loss After Tax	
	<input checked="" type="checkbox"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="7"/>	
	"Please tick Appropriate box + for Profit, - for Loss"	
Basic and Diluted Earning Per Share in `	Interim Dividend rate %	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="9"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="0"/>	

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

Item Code No. (ITC Code)
 Product Description
 Item Code No. (ITC Code)
 Product Description

For and on behalf of the Board of Directors

Dr Niren Suchanti
Chairman

Navin Suchanti
CEO & Managing Director

Kunal Bose
Director

T K Banerjee
Company Secretary

Kolkata, May 28, 2012

**Statement Pursuant to Section 212 of the Companies Act,
1956 Relating to Subsidiary Company**

- | | | |
|--|---|-----------------------------|
| 1. Name of the Subsidiary Company | : | Savannah Hotels Private Ltd |
| 2. Financial year of the Subsidiary Company ended on | : | March 31, 2012 |
| 3. Extent of interest in Subsidiary Company | : | 51.02% |
| 4. Net aggregate amount of the profits / losses of the Subsidiary Company as far as it concerns the members of the Company | | |
| a) Dealt with in the Company's accounts | | |
| i) for the financial year of the Subsidiary | : | NIL |
| ii) for the previous financial years of the Subsidiary since it became the Subsidiary of the Company | : | NIL |
| b) Not dealt with in the Company's accounts | | |
| i) for the financial year of the Subsidiary | : | Loss of ` 12,674,248 |
| ii) for the previous financial years of the Subsidiary since it became the Subsidiary of the Company | : | NIL |

For and on behalf of the Board of Directors

Dr Niren Suchanti
Chairman

Navin Suchanti
CEO & Managing Director

Kunal Bose
Director

T K Banerjee
Company Secretary

Kolkata, May 28, 2012

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT

The Board of Directors

Sinclairs Hotels Limited

We have audited the attached consolidated balance sheet of Sinclairs Hotels Limited and its subsidiary company, Savannah Hotels Pvt. Ltd, as at March 31, 2012, and also the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Consolidated financial statements includes assets of ` 413,420,926, revenue of ` 52,361,563 and cash flows of ` 208,222 in relation to a subsidiary company, which we have

not audited and that the financial statements of the subsidiary have been audited by another auditor whose report we have relied upon.

Based on our audit and on consideration of reports of another auditor on separate financial statements and on the other financial information of the component, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated balance sheet, of the state of affairs of Sinclairs Hotels Limited and its subsidiary company as at March 31, 2012;
- (b) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated 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 Sanjoy K Gupta
 Place: Kolkata
 Date: May 28, 2012

Partner
 Membership No: 54968

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	Notes	As at 31st March, 2012
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	3	60,652,220
Reserves and Surplus	4	744,586,171
		<u>805,238,391</u>
Minority Interest		45,971,077
Non Current Liabilities		
Long Term Borrowings	9	171,969,973
Deferred Tax Liability (Net)	5	40,715,672
Other Long Term Liabilities	6	5,759,481
Long Term Provisions	7	779,742
		<u>219,224,868</u>
Current Liabilities		
Trade Payables	6	24,776,043
Other Current Liabilities	6	116,612,358
Short Term Provisions	7	831,670
		<u>142,220,071</u>
TOTAL		<u><u>1,212,654,407</u></u>
ASSETS		
Non-Current Assets		
Fixed Assets	8	
Tangible Assets		796,477,244
Intangible Assets		64,605,260
Capital Work-in-Progress		137,788,808
Long Term Loans and Advances	10	11,876,908
Other Non Current Assets	12	6,088,820
		<u>1,016,837,040</u>
Current Assets		
Current Investments	13	115,970,977
Inventories	14	4,893,438
Trade Receivables	11	13,805,973
Cash and Bank Balances	15	36,431,896
Short Term Loans and Advances	10	4,995,837
Other Current Assets	12	19,719,246
		<u>195,817,367</u>
TOTAL		<u><u>1,212,654,407</u></u>
Summary of significant accounting policies	2	

The accompanying notes are an integral part of the financial statement.

As per our report of even date

For S.R.Batliboi & Co. For and on behalf of the Board of Directors
Firm Registration Number 301003E
Chartered Accountants

per Sanjoy K Gupta
Partner
Membership No.54968
Kolkata, May 28, 2012

Dr Niren Suchanti
Chairman

Navin Suchanti
CEO and Managing Director

Kunal Bose
Director

T K Banerjee
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Notes	Year Ended 31st March, 2012
Income		
Revenue from Operations	16	196,328,326
Other Income	17	28,389,689
		<u>224,718,015</u>
Expenses:		
Food, Beverage and Stores Consumed	18	25,853,654
Employee Benefits Expenses	19	43,544,122
Other Expenses	20	84,191,255
		<u>153,589,031</u>
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)		
		71,128,984
Depreciation and Amortization	21	23,823,721
Interest		7,142,059
		<u>40,163,204</u>
Profit Before Tax		
		14,767,422
Tax Expense:		
Current Tax		443,986
Deferred Tax Charge/(Credit)		
		<u>15,211,408</u>
Profit for the year before Minority Interest, but after tax		
		24,951,796
Less: Minority Interest (share of loss in subsidiary company)		
		<u>(2,897,116)</u>
Profit for the year after Minority Interest		
		<u><u>27,848,912</u></u>
Earnings Per Share		
[Nominal Value per share ` 10]	22	
Basic and Diluted		4.59
Summary of significant accounting policies	2	

The accompanying notes are an integral part of the financial statement.

As per our report of even date

For S.R.Batliboi & Co. For and on behalf of the Board of Directors
Firm Registration Number 301003E
Chartered Accountants

per Sanjoy K Gupta
Partner
Membership No.54968
Kolkata, May 28, 2012

Dr Niren Suchanti
Chairman

Navin Suchanti
CEO and Managing Director

Kunal Bose
Director

T K Banerjee
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-12
A. Cash Flow from Operating Activities	
Net Profit before Taxes	40,163,206
Adjustments For :	
Depreciation / Amortization	23,823,722
Profit on Redemption of Investments	(1,598,528)
Interest Income	(23,787,419)
Interest Expense	7,142,059
Loss on Sale/Discard of Fixed Assets	838,297
Liabilities no longer required written back	(92,989)
Operating profit before working capital changes	46,488,348
Movements in working capital :	
Trade Receivables	136,028
Inventories	(436,084)
Long Term Loans and Advances	(164,721)
Short Term Loans and Advances	(286,470)
Trade Payables	4,783,750
Short-Term Provisions	172,720
Other Non Current Liabilities	2,846,606
Other Current Liabilities	(2,654,912)
Cash Generated From Operation	50,885,265
Direct taxes paid (net)	(15,521,569)
Net Cash Flow from Operating Activities	35,363,696
B. Cash Flow from Investing Activities	
Purchase of Fixed Assets	(121,813,772)
Proceeds from Sale of Fixed Assets	49,898,750
Purchase of Current Investments	(227,500,000)
Proceeds from Sale/Maturity of Current Investment	113,127,551
Purchase of bank deposits (having original maturity of more than three months)	(51,188,825)
Maturity of bank deposits (having original maturity of more than three months)	407,869,234
Interest Income	29,175,779
Net Cash used in Investing Activities	199,568,717
C. Cash Flow from Financing Activities	
(Repayment)/ Proceeds from Long Term Borrowings from Bank and Financial Institution (Net)	(118,968,305)
(Repayment)/ Proceeds from Short Term Borrowings from Bank and Financial Institutional (Net)	(71,032,183)
(Repayment)/ Proceeds from Other Long Term Borrowings (Net)	(245,973)
(Repayment)/ Proceeds from Other Short Term Borrowings (Net)	(265,413)
Interest Expenses	(14,958,734)
Dividends Paid	(45,101,922)
Tax on Dividend Paid	(3,935,723)
Net Cash from/(Used in) in Financing Activities	(254,508,253)
Net Increase in Cash and Cash Equivalents (A+B+C)	(19,575,840)
Cash and cash equivalents at the beginning of the year	23,094,421
Cash and cash equivalents of subsidiary company at the beginning pursuant to consolidation	1,924,489
Cash and cash equivalents at the end of the year	5,443,070
Components of cash and cash equivalents	
Balance with banks	
On current accounts	4,475,867
On unpaid dividend account*	485,862
Cash on hand	481,341
Cash and Bank Balances as per Note 15	5,443,070

* 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

per Sanjoy K Gupta

Partner

Membership No. 54968

Kolkata, May 28, 2012

For and on behalf of the Board of Directors

Dr Niren Suchanti

Chairman

Kunal Bose

Director

Navin Suchanti

CEO & Managing Director

T K Banerjee

Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

1. PRINCIPLES OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements, which relate to Sinclair's Hotels Limited and its subsidiary company, have been prepared on the following basis:

- (a) The financial statements of the Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after eliminating intra group balances, intra group transactions and any unrealised profit / loss included therein in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" as notified by the Companies (Accounting Standards) Rules, 2006 (as amended).
- (b) The consolidated financial statements have been prepared using uniform accounting policies, for like transactions and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- (c) The excess of cost to the Company over its investments in the subsidiary company is recognised in the financial statements as goodwill.
- (d) Minorities' interest in net loss of consolidated subsidiary for the year has been identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Parent Company. Their share of net assets has been identified and presented in the Consolidated Balance Sheet separately.
- (e) The subsidiary company considered in the financial statements is Savannah Hotels Limited (with effect from October 31, 2011), which is incorporated in India and in which the percentage of ownership as on March 31, 2012 is 51.02%

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements have been prepared to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended). The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of assets for which revaluation is carried out.

(b) Use of estimates

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

(c) Tangible Fixed Assets

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

(d) Depreciation / Amortization

- i. Depreciation is provided using the Straight Line Method as per rates prescribed under Schedule XIV of the Companies Act, 1956 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 lease period of 99 years.
- iv. Depreciation on revalued assets is provided at the rates specified in Schedule XIV of the Companies Act, 1956. However, in case of fixed assets whose life is determined by the valuer to be less than their useful life under Schedule XIV, depreciation is provided at the higher rates, to ensure the write off of these assets over their useful life, incidentally such rates coincide with the rates specified in Schedule XIV of the Companies Act, 1956.

(e) Impairment

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

(f) Leases

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

(g) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with. Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds.

(h) Investments

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

(i) Inventories

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

(j) Revenue Recognition

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

i. Income from Services

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

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

ii. Interest

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

iii. Dividends

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

(k) Foreign Currency Transaction
i. Initial Recognition

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

ii. Conversion

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

iii. Exchange Differences

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

(l) Retirement and other employee benefits

(i) Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contribution is charged to Statement of Profit and Loss of the year when the contributions are due.

(ii) Gratuity liability being a defined benefit obligation and Other Long Term Obligations are provided for on the basis of an actuarial valuation under projected unit credit method made at the end of each financial year.

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

(iv) Actuarial gains / losses are immediately taken to Statement of Profit and Loss and are not deferred.

(m) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of 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.

(n) Segment Reporting Policy

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

(o) Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net result for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(p) Provisions

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

(q) Contingent liabilities

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

(r) Cash and cash equivalents

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

(s) Borrowing Cost

Interest and other borrowing costs attributable to the acquisition of or construction of qualifying assets till the date of commercial use of the assets are capitalised. All other borrowing costs are charged to revenue.

(t) Measurement of EBITDA

As permitted by the Guidance Note issued by the Institute of Chartered Accountants of India on the Revised Schedule VI to the Companies Act, 1956, the Company has opted to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	As at 31st March, 2012	As at 31st March, 2012
3 SHARE CAPITAL		
Authorized Share Capital		
15,000,000 equity shares of ₹ 10/- each	150,000,000	
5,000,000 redeemable preference shares of ₹ 10/- each	50,000,000	
	200,000,000	
Issued, subscribed and fully paid-up shares		
6,065,222 equity shares of ₹ 10/- each fully paid-up	60,652,220	
 (a) There is no movement in Issued and subscribed equity share and share capital during the current year.		
(b) Terms/ rights attached to equity shares		
The Company has only one class of equity shares having par value of ₹ 10 per share. Every holder of an equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
During the year ended 31 March 2012, the dividend amount per share recognized as distribution to equity shareholders was ₹ 4.00.		
In the event of liquidation of the Company, after distribution of all preferential amounts, the remaining assets of the Company will be distributed to equity shareholders in proportion to their shareholding.		
(c) Details of shareholders holding more than 5% Equity Shares in the Company.		
Name of the shareholders	As at 31 March 2012	
	No of Equity	% holding Shares
Equity shares of ₹ 10 each fully paid up		
Xander Investment Holding X Ltd	1,979,221	32.63%
Pramina Suchanti	1,256,224	20.71%
Sujata Suchanti	1,231,613	20.31%
MCCS Investment Holding Ltd.	588,000	9.69%
Dr. Niren Suchanti	338,421	5.58%
Navin Suchanti	306,320	5.05%
As per records of the Company, and information provided by its registrar the above shareholding represents both legal and beneficial ownership of shares.		
4 RESERVES AND SURPLUS		
Capital Reserve		
Amalgamation Reserve		
Balance as per last financial statements		7,279,767
Capital Redemption Reserve		
Balance as per last financial statements		12,280,000
Capital Investment Subsidy		
Balance as per last financial statements		8,136,724
Securities Premium Account		
Balance as per last financial statements		509,405,585
Revaluation Reserve		
Balance as per last financial statements		50,792,256
Less: amount transferred to the statement of profit and loss as reduction from depreciation (refer note 21)		240,832
Less: adjusted against revalued fixed asset held for sale		15,013,448
		35,537,976
General Reserve		
Balance as per last financial statements		130,480,181
Add: amount transferred from surplus balance in the statement of profit and loss		5,000,000
		135,480,181
Surplus in the statement of profit and loss		
Balance as per last financial statements		41,813,637
Add: Profit for the year		27,848,912
		69,662,549
Appropriations:		
Interim dividend [amount per share ₹ 4.00]	24,260,888	
Tax on interim dividend	3,935,723	28,196,611
Transfer to general reserve		5,000,000
Net surplus in the statement of profit and loss		36,465,938
		744,586,171

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	Non-Current 31st March, 2012	Current 31st March, 2012		Non-Current 31st March, 2012	Current 31st March, 2012
	<u> </u>	<u> </u>		<u> </u>	<u> </u>
5 DEFERRED TAX LIABILITY					
Deferred tax liability			Advances against sale of assets (refer note 12)		49,817,625
Timing difference on depreciable fixed assets		65,147,602	Unclaimed dividend		485,862
Preliminary Expenses to the extent not written off/adjusted		<u>140,800</u>	(Amount will be credited to Investor Education and Protection Fund when due)		
		65,288,402	Other payables		
Deferred tax Asset			Advance membership fees received	5,759,481	
Retirement Benefits		258,181	Deposits received from others		551,000
Unabsorbed Depreciation		<u>24,314,549</u>	Creditors for fixed assets		30,031,335
		24,572,730	Statutory Dues		7,668,091
Deferred tax liability (Net)		<u><u>40,715,672</u></u>	Others		1,859,996
Deferred tax asset on unabsorbed depreciation has been recognised based on future reversal of DTL leading to taxable income.				<u>5,759,481</u>	<u>116,612,358</u>
6 OTHER LIABILITIES			7 PROVISIONS		
Trade Payables			Provision for employee benefits		
For goods		9,231,102	Gratuity	630,682	821,513
For other expenses		<u>15,544,941</u>	Leave Entitlement	149,060	10,157
		24,776,043		<u>779,742</u>	<u>831,670</u>
Other Liabilities					
Advances from Customers		4,548,632			
Current maturities of long term borrowings		19,554,282			
Interest accrued but not due on borrowings		2,095,535			

Notes to Consolidated Financial Statements for the year ended March 31, 2012

8 FIXED ASSETS

	Tangible Asset										Intangible Asset		Capital Work in Progress	
	Freehold Land	Leasehold Land	Building	Plant and equipment	Furniture and fixture	Electrical installation	Vehicles	Office equipment	Total	Goodwill				
Cost or Revalued														
At 31 March 2011	112,059,376	2,765,576	224,267,429	61,541,641	47,545,756	12,969,994	5,462,584	4,296,946	470,909,302	15,300,249			116,568,955	
Opening balance of new subsidiary	49,978,330		222,872,960	114,919,122	80,676,900		5,021,092	2,250,316	475,718,720	62,310,223				
Additions	269,650	-	33,237,181	17,791,404	34,467,823	11,255,982	1,766,342	563,747	99,352,129	-			134,808,966	
Disposals	-	-	-	1,327,474	2,274,532	118,426	235,908	1,792,944	5,749,284	-			96,304,544	
Transfer to fixed asset held for sale	15,114,988								15,114,988				17,284,569	
At 31 March 2012	147,192,368	2,765,576	480,377,570	192,924,693	160,415,947	24,107,550	12,014,110	5,318,065	1,025,115,879	77,610,472			137,788,808	
Depreciation														
At 31 March 2011	-	446,962	62,852,809	33,753,560	29,381,503	7,335,335	2,453,412	3,626,144	139,849,725	10,710,175			-	
Opening balance of new subsidiary														
Charge for the year	-	28,318	6,785,568	4,827,433	7,889,501	1,076,261	704,549	457,886	21,769,516	2,295,037			-	
Disposals	-	-	-	650,483	2,088,499	73,823	224,113	1,792,944	4,829,862	-			-	
At 31 March 2012	-	475,280	94,692,481	56,995,486	60,818,800	8,337,773	3,790,468	3,528,347	228,638,635	13,005,212			-	
Net Block														
31st March, 2011	112,059,376	2,318,614	161,414,620	27,788,081	18,164,253	5,634,659	3,009,172	670,802	331,059,577	4,590,074			116,568,955	
31st March, 2012	147,192,368	2,290,296	385,685,089	135,929,207	99,597,147	15,769,777	8,223,642	1,789,718	796,477,244	64,605,260			137,788,808	

a) Revaluation:

The Company has revalued land and building situated at Siliguri and Darjeeling in the year 1993, the total increase on such revaluation being ` 35,745,982. Land and Building situated at Port Blair were revalued in the year 1994 resulting in a net increase of ` 13,735,921. Land and Building situated at Bangalore were revalued in the year 2006 resulting in a net increase of ` 31,855,000.

b) Building includes those constructed on leasehold land, Gross Block ` 71,332,985, Depreciation charge for the year ` 1,130,645, Accumulated depreciation ` 13,032,929, Net book value ` 58,300,055.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	Non Current Amount in `	Current Maturities Amount in `	Current 31st March 2012
	Mar 31, 2012	Mar 31, 2012	`
9 LONG TERM BORROWINGS			
Debentures - Unsecured			
74,045,000 0% Redeemable, Non-Convertible Debentures	75,045,000	-	
Term Loans - Secured			
from Financial Institution	96,430,000	18,928,000	
from Bodies Corporate	494,973	626,282	
Amounts disclosed under the head 'Other Current Liabilities'	-	(19,554,282)	
	<u>171,969,973</u>	<u>-</u>	
Nature of Security			
Term Loan from Financial Institution is secured by way of mortgage of Plot of Land at Bangalore, together with all the buildings and structures thereon and hypothecation of all the movable assets, both present and future, other than current assets available for working capital. Further secured by pledge of entire shareholding of the promoters and personal guarantee of the two Directors and one Shareholder of the Company).			
Term Loans from bodies corporate are secured against hypothecation of vehicles for which the said loans were granted.			
Terms of Repayment			
Term Loan from financial institution is repayable in quarterly instalments of ` 5,357,000/- each. Such loan shall be repaid by 15th July 2017. It carries Interest at Prime Lending Rate of the Financial Institution which is 13.5% at present.			
Term Loans from bodies corporate are repayable in monthly instalments of ` 104,120 with interest rate as applicable to different loans. The last instalment is due on 15th February, 2014.			
0% Redeemable, Non-Convertible Debentures are redeemable after 18 months or earlier at the option of the company from the date of allotment i.e. 31st October 2011.			
10 LOANS AND ADVANCES (Unsecured, considered good)			
	Non-current 31st March 2012	Current 31st March 2012	
Capital Advances	4,080,222	-	
Security Deposits	2,559,078	128,000	
Advances recoverable in cash or kind	929,664	1,625,310	
Other loans and advances			
Loans to employees (interest free)	150,000	331,593	
Advance income-tax (net of provision for taxation)	3,923,074	1,246,365	
Prepaid expenses	234,870	1,401,422	
Balance with service tax and VAT authorities	-	263,147	
	<u>4,307,944</u>	<u>3,242,527</u>	
	<u>11,876,908</u>	<u>4,995,837</u>	
11 TRADE RECEIVABLES (Unsecured, considered good)			
Outstanding for a period exceeding six months from the date they are due for payment			1,712,137
Other receivables			12,093,836
			<u>13,805,973</u>
	Non-current 31st March 2012		Current 31st March 2012
12 OTHER ASSETS (Unsecured, considered good)			
Margin money deposit with bank (note15)	5,543,433		
Fixed assets held for sale (at net book value, being lower than estimated net reliable value) *			17,386,109
Interest accrued, but not due on margin money / deposits with bank	545,387		2,333,137
	<u>6,088,820</u>		<u>19,719,246</u>
* Represents freehold land, possession of which is yet to be handedover, pending performance of obligations under the terms of agreement.			
13 CURRENT INVESTMENTS			
Unquoted mutual funds			
Long-term investments (valued at cost) 1,000,000 units of HDFC Mutual Fund- FMP 370D Feb 2012(2) SR XXI Growth (Face value ` 10 each)			100,000,000
Current investments (valued at lower of cost and fair value, unless stated otherwise)			
750,000 units of HDFC Mutual Fund- FMP 92D March 2012(1) Growth (Face value ` 10 each)			7,500,000
367,617.38 units of HDFC Mutual Fund- Treasury Advantage Plan- Growth (Face value ` 10 each)			8,470,977
			<u>115,970,977</u>
Aggregate amount of un quoted investments			115,970,977
14 INVENTORIES (valued at lower of cost and net realizable value)			
Food and Beverages			3,539,399
Linen, Curtains, Housekeeping Items etc.			1,354,039
			<u>4,893,438</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	Non-current 31st March 2012	Current 31st March 2012	Year ended 31st March, 2012
15 CASH AND BANK BALANCES			
Cash and Cash equivalents			
Balance with banks			
On current accounts		4,475,868	
On unpaid dividend account		485,862	
Cash on hand		481,341	
		<u>5,443,071</u>	
Other Bank Balances			
Deposits with original maturity for more than three months but less than twelve months	-	30,988,825	
Margin money deposit*	5,543,433	-	
	<u>5,543,433</u>	<u>30,988,825</u>	
Amount as disclosed under non-current assets (note 12)	(5,543,433)		
Net	-	<u>36,431,896</u>	
* Margin money ` 5,071,423 pledged against Bank Guarantees and ` 472,010 pledged with the Registrar, Calcutta High Court towards certain litigations.			
16 REVENUE FROM OPERATIONS			
		Year ended 31st March, 2012	
Sale of services			
Room		117,396,570	
Food and Beverages		64,776,010	
Other operating revenues			
Car Hire Income		7,638,527	
Others		6,517,219	
		<u>196,328,326</u>	
17 OTHER INCOME			
Interest Income			
- Deposits with Banks		23,650,616	
- Others		136,803	
Net gain on sale of current investments		1,598,528	
Compensation received for surrender of tenancy		1,524,920	
Liabilities no longer required written back		658,155	
Other non-operating income		820,667	
		<u>28,389,689</u>	
18 FOOD AND BEVERAGE CONSUMED			
Inventory at the beginning of the year			3,737,454
Add: Purchases			25,655,599
			<u>29,393,053</u>
Less : Inventory at the end of the year			3,539,399
			<u>25,853,654</u>
Details of Consumption			
Food and groceries			22,416,742
Beverages and Wines			3,436,912
			<u>25,853,654</u>
19 EMPLOYEE BENEFITS EXPENSE			
Salaries, Wages, Bonus etc.			35,731,721
Contribution to Provident and Other Funds			2,729,519
Staff welfare expenses			5,082,882
			<u>43,544,122</u>
20 OTHER EXPENSES			
Linen, Curtains, Housekeeping Items etc.			11,074,129
Power and Fuel			19,835,150
Rent			1,364,068
Rates and Taxes			3,480,964
Insurance			637,384
Repairs and Maintenance :			
Plant and Machinery			1,313,537
Buildings			2,806,427
Others			5,788,104
Advertisement and Sales Promotion			6,274,179
Commission to Selling Agents			3,260,365
Travelling and Conveyance			2,827,271
Motor Car Expenses			1,673,912
Bank Charges			1,639,720
Car and Other Hire Charges			7,188,735
Communication Costs			1,776,109
Musical Expenses			1,583,441
Printing and Stationery			990,623
Legal and Professional Fees			2,674,303
Franchise Fees			1,304,091
Directors' Fees			67,500

(Contd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012
**Year ended 31st
March, 2012**

Remuneration to Auditor	
As auditor:	
Statutory Audit	525,000
Limited Review	375,000
Audit of Consolidated Financial Statement	200,000
Reimbursement of Service Tax and Out-of-Pocket Expenses	194,079
To auditors of subsidiary company	
As auditor	168,540
For Tax Audit	56,180
In other capacity for Certificates and other Services	88,240
Loss on Sale / Discard of Fixed Assets	838,297
Loss on Exchange Fluctuations (Net)	125,384
Miscellaneous Expenses	4,060,523
	84,191,255

21 DEPRECIATION AND AMORTIZATION

Depreciation on tangible assets	21,769,516
Amortization on intangible assets	2,295,037
	24,064,553
Less: Transferred from Revaluation Reserve	240,832
	23,823,721

22. Earnings per share (EPS)

Particulars		2011-12
Net profit as per statement of profit and loss	`	27,848,912
Weighted average number of equity shares in calculating basic EPS	Nos.	6,065,222
Nominal value of each share	`	10
Basic and Diluted Earning per Share	`	4.59

23. GRATUITY PLAN

The Company has a defined benefit gratuity plan for its employees. Every employee who has completed five years or more of service is entitled to gratuity at the rate of 15 days last drawn salary for each completed year of service, in terms of Payment of Gratuity Act, 1972. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans.

Statement of Profit and Loss

Net employee benefit expense

(Amount in `)

Particulars	2011-12
Current service cost	601,166
Interest cost on benefit obligation	368,069
Expected return on plan assets	(317,813)
Net actuarial loss recognised in the year	61,786
Past service cost	-
Net benefit expense	713,208
Actual return on plan assets	317,813

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

Balance Sheet

Details of Provision for Gratuity

(Amount in `)

Particulars	As at 31st March, 2012
Defined benefit obligation	5,127,566
Fair value of plan assets	3,675,371
	1,452,195
Less: Unrecognised past service cost	-
Net Liability	1,452,195

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

(Amount in `)

Particulars	As at 31st March, 2012
Opening defined benefit obligation	4,555,906
Interest cost	368,069
Current service cost	601,166
Benefits paid	(459,361)
Actuarial losses on obligation	61,786
Plan Amendments	-
Closing defined benefit obligation	5,127,566

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

(Amount in `)

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

The Company expects to contribute ` 775,875 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, 2012
Investments with insurer	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	Holding	Subsidiary
Discount rate	8.00 %	8.40 %
Expected rate of return on assets	9.15 %	-
Expected rate of future salary increase	5.50 %	5.00 %
Mortality Table	LIC (1994-96) ultimate	LIC (1994-96) ultimate

Amount incurred as expense for defined contribution plans:

Particulars	2011-12
Contribution to Provident Fund	3,778,696

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 year is as follows:

Particulars	2011-12
Defined benefit obligation	5,127,566
Plan assets	3,675,371
Deficit / (Surplus)	1,452,195

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

24. 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.

25. CAPITAL COMMITMENT:

(Amount in `)

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

26. CONTINGENT LIABILITIES NOT PROVIDED FOR

(Amount in `)

Particulars	As at 31st March, 2012
Sales Tax matters under dispute/appeal	409,875
EPCG (Duty saved amount on outstanding export obligations)	2,697,451

There is a disputed interest and penalty on property tax, the amount of which is not quantifiable as the concerned authority is yet to issue a revised order with respect to the same.

27. RELATED PARTY DISCLOSURES

(a) Names of related parties:

Key Management Personnel	Mr Navin Suchanti CEO & Managing Director Mr Vikash Kuthari Wholetime Director
Relatives of Key Management Personnel	Dr. Niren Suchanti Chairman Ms. Pooja Suchanti Chief of Communications
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 t te t the the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(b) Related Party Transactions:

Particulars	Key Management Personnel			Total	
	Mr. Navin Suchanti	Mr. Vikash Kuthari			
Directors' Remuneration	921,567*	1,226,400		2,147,967	
	Relatives of Key Management Personnel				
	Dr. Niren Suchanti	Ms. Pooja Suchanti			
Directors' Sitting Fees	25,000	–		25,000	
Salary, Wages, Bonus and Contribution to Provident and Other	–	578,400		578,400	
Particulars	Enterprise owned or significantly influenced by key management personnel or their relatives				Total
	Pressman Properties Limited	Pressman Realty Limited	Son-et-Lumiere Art Gallery Private Ltd.	Pressman Advertising Limited	
Electricity Charges	67,299				67,299
Rent	529,440	330,900	96,000		956,340
Advertisement and Sales Promotion				3,301,682**	3,301,682

* ` 546,567 Balance Payable at year end.

** ` 31,260 Balance Payable at year end.

28. In terms of exemption granted by the Ministry of Corporate Affairs (MCA) regarding attachment of financial statements of its subsidiary companies vide its circular dated February 8, 2011, following information has been given for the subsidiary company, Savannah Hotels Private Limited.

Particulars	As at March 31, 2012
Capital	158,500,000
Reserves and Surplus	(-) 64,639,176
Total assets	413,420,926
Total liabilities	319,560,102
Investments	-
Turnover including other income	130,592,142
Loss before tax	32,633,361
Provision for tax	
(reversal of deferred tax liability)	(-) 19,959,113
Loss after tax	12,674,248

29. On October 31, 2011 the Company had acquired majority stake in Savannah Hotels Private Limited. Accordingly, the profit for the year is net of loss of subsidiary company for the period from October 31, 2011 to March 31, 2012 aggregating ` 5,915,148. Further as per the principles of consolidation in terms of Accounting Standard 21, Consolidated statement of profit and loss includes Revenue of ` 52,361,563 and expenditures of ` 58,276,711. The assets and liabilities of subsidiary company as given in note 28 above has been included in the consolidated financial statement.

30. PREVIOUS YEAR FIGURES

During the previous year no consolidated financial statements were required to be prepared as there was no subsidiary company. Accordingly, comparative numbers are not available, hence not provided.

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 Sanjoy K Gupta
 Partner
 Membership No.54968
 Kolkata, May 28, 2012

Dr Niren Suchanti Navin Suchanti
 Chairman CEO & Managing Director
 Kunal Bose T K Banerjee
 Director Company Secretary



SINCLAIRS HOTELS LIMITED
Pressman House, 10 A Lee Road, Kolkata 700 020