



FORM A

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

1.	Name of the Company:	Sinclairs Hotels Limited
2.	Annual financial statements for the period ended	March 31, 2014
3.	Type of Audit observation	Matter of Emphasis as reported by Statutory Auditors is reproduced hereunder:- Attention is drawn to Note No 35 of the financial statements regarding necessary post facto approvals under the Foreign Exchange Management Act in respect of warrants issued in previous years which are pending regulatory action. Our opinion is not qualified in this respect. *
4.	Frequency of observation	First time in 2013-2014
5.	To be signed by: Navin Suchanti Managing Director	Sinclairs Hotels Ltd.  Managing Director
	Kunal Bose Audit Committee Chairman	Sinclairs Hotels Ltd  Director
	Bhaswar Sarkar Partner Membership no. 55596 For S. R. Batliboi & Co. LLP Chartered Accountants ICAI Firm Registration no. 301003E (Statutory Auditors of the company)	 

* The FIPB approval dated August 14, 2014 has since been received.

Sinclairs Hotels Limited

Regd. Office : Pressman House, 10A Lee Road, Kolkata 700 020
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e: ir@sinclairshotels.com www.sinclairsindia.com
CIN : L55101WB1971PLC028152

DARJEELING | DOOARS | OOTY | PORT BLAIR | SILIGURI



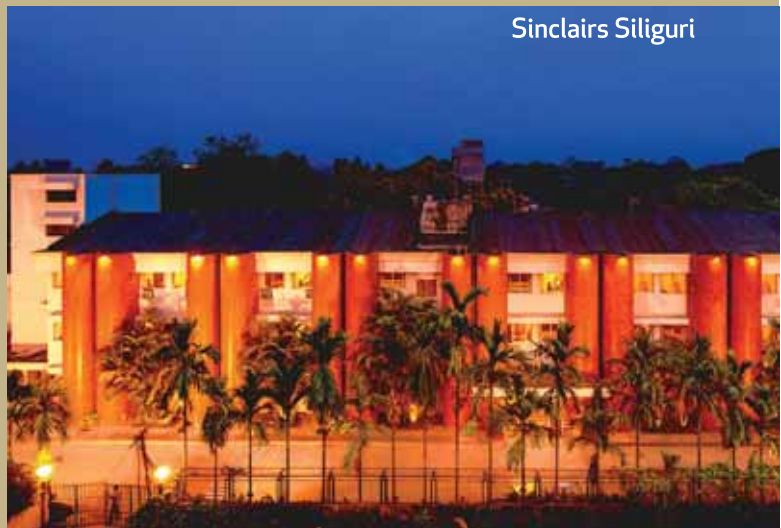
Sinclairs Retreat Ooty



Sinclairs Darjeeling



Sinclairs Bayview Port Blair



Sinclairs Siliguri



Sinclairs Retreat Doars



Sinclairs Retreat Kalimpong (Opening Soon)

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Corporate Information

Board of Directors

Dr Niren Suchanti, *Chairman*
Navin Suchanti, *Managing Director*
Rohan Sikri
Hardeep Sachdeva
Kunal Bose
Aseem Kohli

General Manager (Finance & Accounts) & Compliance Officer

B L Soni

Auditors

S R Batliboi & Co. LLP
Chartered Accountants

Registered and Corporate Office

Pressman House
10A Lee Road
Kolkata 700 020
CIN: L55101WB1971PLC028152

Hotels & Resorts

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

Projects under implementation

Sinclairs Retreat Kalimpong
Sinclairs Tourist Resort, Burdwan
Sinclairs Kolkata

Registrar & Transfer Agent

Niche Technologies Pvt Ltd
Kolkata

Website

www.sinclairshotels.com

Investor information Website

www.sinclairsindia.com

Directors' Report

Your Directors have pleasure in presenting the Fortysecond Annual Report of the company together with the Audited Accounts for the year ended 31st March, 2014.

Financial Highlights

Sl. No.	Particulars	₹ in lacs	
		Year ended 31.03.2014	Year ended 31.03.2013
1	Gross Income	2421.87	2169.84
2	Profit before depreciation and tax	783.44	617.53
3	Depreciation	274.75	214.82
4	Profit before tax and exceptional items	508.69	402.71
5	Exceptional items	423.93	1146.19
6	Profit before tax	932.62	1548.90
7	Provision for tax	235.81	117.39
8	Profit after tax	696.81	1431.51
9	Profit brought forward	382.50	394.84
10	Profit available for appropriation	1079.31	1826.35
11	Transfer to General Reserve	100.00	175.00
12	Transfer to Capital Redemption Reserve on buyback of equity shares	49.52	–
13	Proposed Dividend	222.80	1091.74
14	Tax on Dividend	37.86	177.11
15	Balance carried to Balance Sheet	669.13	382.50
		1079.31	1826.35

PERFORMANCE

The company achieved operating revenue of ₹22.53 crore as against ₹19.59 crore registering a growth of 15% during the year. This is encouraging as the Indian hospitality industry faced very difficult situation during the period.

FUTURE PLANS

The Company's luxury resort project at Kalimpong is near completion and is likely to be commissioned in the second quarter of this fiscal year 2014. The project at Burdwan has been delayed on account of local issues and efforts are being made to resolve the same. The Company has received sanction to build a 114 room upscale business hotel in Rajarhat New Town, Kolkata.

With stability returning to North Bengal, the company expects substantial improvement in its operational results in the current year.

BUY BACK

The process of buyback for 4,95,222 equity shares of ₹10 each at a price of ₹390 per equity share aggregating ₹19.32 crore has been successfully completed.

Consequent to buy back, Equity Share Capital of the Company has been reduced from ₹6.06 crore to ₹5.57 crore.

DIVIDEND

Your Directors are pleased to recommend a dividend of 40% (₹4 per equity share of ₹10) for the year 2013-2014 amounting to ₹260.66 lacs inclusive of dividend distribution tax of ₹37.86 lacs.

DIRECTORS

Mr Vikash Kuthari, Wholetime Director resigned from the service of the Company w.e.f. 28th January, 2014 and Mr Ravi Harimohan Bhasin resigned w.e.f. 12th February, 2014.

Dr Niren Suchanti retires by rotation and being eligible offers himself for re-appointment.

Mr Kunal Bose retires by rotation and being eligible offers himself for re-appointment.

ASSOCIATE COMPANY

The Company has divested its entire stake in Savannah Hotels Pvt Ltd on 25th July, 2013.

AUDITORS

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

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement with stock exchanges, a separate section on Management Discussion and Analysis which includes 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 134(3)(c) of the Companies Act, 2013 and on the basis of explanation and compliance certificate given by the officials of the Company and subject to disclosures in the Annual Accounts and also on the basis of discussions with the Statutory Auditors of the Company, we state as under:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a fair view of the state of affairs of the Company and of the profit of the Company for the year ended 31st March, 2014.
- 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, 2013 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.
- v) that internal financial control has been laid down by the Company which are adequate and are operating effectively.
- vi) that directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

The operations of your company do not require energy consumption of any significant level. The company does not use any imported technology. Therefore, information regarding conservation of energy and technology absorption as required under Rule 2 of the Companies Act, 1956 (Disclosure of Particulars in the Report of Board of Directors Rules, 1988) is not annexed.

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

During the year, your Company earned ₹5,373,839 in foreign exchange (previous year ₹5,808,395). There was expenditure in foreign currency of ₹996,894 (previous year ₹3,515,240).

PUBLIC DEPOSITS

Your company has not accepted any deposits from the public.

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 30, 2014

For and on behalf of the Board

Dr Niren Suchanti
Chairman

Management Discussion and Analysis Report

Industry Structure and Development, Opportunities and Threats

The tourism sector is high on the agenda of the new government. For the first time in India, the present dispensation in the central government has realised the potential of tourism as a major contributor to the country's foreign exchange earnings and its ability to create huge direct and indirect employment opportunities.

"We recognise that tourism plays a key role in socio-economic progress through creation of jobs, enterprise, infrastructure development, and foreign exchange earnings. We are committed to use tourism to revive Brand India! This precise statement in the ruling party's manifesto augurs well for the future of tourism industry.

The government plans to initiate a project to create 50 tourist circuits that are affordable. These circuits would, inter alia, promote tourism in the Himalayas, deserts, coastal regions, heritage and archaeological sites etc.

The other plans of the Government include modernising existing and operational airports, and build new ones, especially connecting smaller towns and create infrastructure and employment around each tourist circuit. Besides infrastructure, the government plans to promote specialised courses in tourism to build manpower capabilities and also address the safety and security issue, which has been a major dampener for India's image as a tourist destination.

The government has cleared the decks for visa-on-arrival for tourists for almost all the countries in the world and the start of the Electronic Travel Authorisation is under implementation. In order to achieve its goals it is expected that the multiple tax regime will be simplified and rationalised and the licensing process will be made transparent and easy.

Outlook

All these are positive indicators for the tourism and hospitality industry. These measures as and when announced, will put

the tourism sector into fast growth track and ensure a quantum jump in both leisure and business travellers from India and abroad. It is indeed dawn of a new era for the tourism sector.

Risks and Concerns

Tourism industry is generally affected on account of:

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

Risk mitigation

The Company's properties are geographically well spread and thus has greater resilience to meet the challenges an unlikely event of any regional disturbance or natural calamity. The Company is regularly investing in its properties to upgrade facilities and service standards. As such it is in a position to mitigate the risk from growing competition.

Internal control systems and their adequacy

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

Material developments in Human Resources

Human resource functions and initiatives of your Company to attract, train, retain and motivate employees are driven by a strong set of values and policies. Your Company takes on a continuing basis adequate and necessary steps to maintain a competitive, healthy and harmonious work environment at all levels of working. The Company has over 200 employees.

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, four non-executive independent Directors and one executive Director.

During the financial year 2013-2014, four meetings of the board were held. These meetings were held on 28th May, 2013, 13th August, 2013, 12th November, 2013 and 12th February, 2014.

Particulars of Directors are given below :

Name	Designation	Category	Equity shareholding in the Company
Dr Niren Suchanti	Chairman	Non-Executive Director	313051
Mr Navin Suchanti	Managing Director	Executive Director	293738
Mr Rohan Sikri	Director	Non-Executive Independent Director	Nil
Mr Kunal Bose	Director	Non-Executive Independent Director	Nil
Mr Hardeep Sachdeva	Director	Non-Executive Independent Director	Nil
Mr Ravi Bhasin**	Director	Non-Executive Independent Director	Nil
Mr Aseem Kohli	Director	Non-Executive Independent Director	Nil
Mr Vikash Kuthari*	Wholetime Director	Executive Director	1,053

**Resigned w.e.f. 12th February, 2014 *Resigned w.e.f. 28th January, 2014

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

Director	No of Board Meetings held	No of Board Meeting 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	4	4	No	4	Nil
Mr Navin Suchanti	4	4	Yes	4	2
Mr Rohan Sikri	4	4	No	Nil	Nil
Mr Kunal Bose	4	4	Yes	Nil	Nil
Mr Hardeep Sachdeva	4	Nil	No	Nil	Nil
Mr Ravi Bhasin**	4	Nil	No	Nil	Nil
Mr Aseem Kohli	4	4	No	Nil	Nil
Mr Vikash Kuthari*	4	3	No	Nil	Nil

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

**Resigned w.e.f. 12th February, 2014 *Resigned w.e.f. 28th January, 2014

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 43 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 traveled 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	313051	Nil

III. Audit Committee

Terms of Reference

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

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

Composition

Kunal Bose	- Chairman (Non-Executive Independent Director)
Rohan Sikri	- Member (Non-Executive Independent Director)
Navin Suchanti	- Member (Executive Director)
B L Soni	- Compliance Officer

Meetings and attendance during the year

During the financial year 2013-2014, four meetings of the committee were held on 28th May, 2013, 13th August, 2013, 12th November, 2013 and 12th February, 2014 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

Kunal Bose	- Chairman (Non-Executive Independent Director)
Rohan Sikri	- Member (Non-Executive Independent Director)
Hardeep Sachdeva	- Member (Non-Executive Independent Director)
B L Soni	- Compliance Officer

A. Executive Director

Details of remuneration paid to Executive Directors for the financial year ended 31st March, 2014:

Particulars	Navin Suchanti Managing Director	Vikash Kuthari Wholetime Director
Salary and Allowances	-	₹12,80,000
Contribution to PF and Family Pension Fund	-	₹95,760
Bonus	-	₹82,800
Commission	₹10,67,910	-
Service Contract	5 years (01.04.2011 to 31.03.2016)	Resigned on 28.01.2014
Notice Period	Three months	--
Stock Option	None	None

B. Non-Executive Directors

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

V. Investors' Grievance Committee

Terms of Reference

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

Composition

Rohan Sikri	- Chairman (Non-Executive Independent Director)
Navin Suchanti	- Member (Executive Director)
Kunal Bose	- Member (Non-Executive Independent Director)
B L Soni	- Compliance Officer

Meeting and attendance during the year

During the financial year 2013-2014, one meeting of the committee was held on 12th November, 2013.

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

Name & Designation of Compliance Officer

B L Soni, General Manager (Finance & Accounts)

VI. Shareholders' Meeting

Details of last three Annual General Meeting / EGM:

Year	Date	Venue	Time
2010-11	27.08.2011	Rotary Sadan 94/2, J L Nehru Road, Kolkata 700020	10:30 am
2011-12	24.08.2012	Rotary Sadan 94/2, J L Nehru Road, Kolkata 700020	10:30 am
2012-13	14.09.2013	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:

Date	AGM/EGM	Particulars
27.08.2011	AGM	a) Re-appointment of Navin Suchanti as CEO & Managing Director
		b) Appointment of Ms Pooja Suchanti as Chief of Communications
24.08.2012	AGM	Nil
14.09.2013	AGM	Nil
15.10.2013	EGM through Postal Ballot	Buy Back of Equity Shares

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 no subsidiary.

CFO

Mr Navin Suchanti, in addition to his responsibility as 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. The tenure of independent director is in accordance with the extant regulations.

ii. Shareholders Rights

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

iii. Audit qualifications

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

iv. Training of Board Members

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

v. Mechanism for evaluating non-executive Board Members

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

VIII. Means of Communication

Quarterly Results

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

IX. General Shareholder Information

a. Annual General Meeting :

Date	Day	Venue	Time
06.09. 2014	Saturday	Gyan Manch 11 Pretoria Street Kolkata 700 071	10:30 am

b. Tentative Financial Calendar :

Results for quarter ending June 30,2014
Within 14th August , 2014

Results for quarter ending September 30,2014
Within 14th November, 2014

Results for quarter ending December 31, 2014
Within 14th February, 2015

Results for quarter ending March 31,2015
Within 30th May, 2015

AGM for the year ending March 31, 2015
By end of September, 2015

c. Book Closure :

From Friday, 29th August, 2014 to Saturday, 6th September 2014, (both days inclusive)

d. Stock Exchange Listing :

BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
BSE Scrip Code : 523023

The Calcutta Stock Exchange Ltd (CSE)
7, Lyons Range, Kolkata 700 001
CSE Scrip Code : 029074

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

Dividend

Your Directors are pleased to recommend a dividend of 40% (₹4 per equity share of ₹10) for the year 2013-2014 amounting to ₹260.66 lacs inclusive of dividend distribution tax of ₹37.86 lacs.

e. Market price data :

Monthly high / low - (₹/share) during 2013-2014)

Market data at BSE Ltd

Month	BSE Sensex		Share Prices at BSE	
	High	Low	High	Low
April, 2013	19622.68	18144.22	316.60	267.10
May, 2013	20443.62	19451.26	322.00	280.30
June, 2013	19860.19	18467.16	295.00	275.00
July, 2013	20351.06	19126.82	270.00	232.80
August, 2013	19569.20	17448.71	345.45	225.00
September, 2013	20739.69	18166.17	379.00	311.00
October, 2013	21205.44	19264.72	360.00	306.00
November, 2013	21321.53	20137.67	341.00	251.50
December, 2013	21483.74	20568.70	318.00	225.00
January, 2014	21409.66	20343.78	276.00	222.50
February, 2014	21140.51	19963.12	251.00	220.20
March, 2014	22467.21	20920.98	270.00	221.00

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	2360	98.34	93859	1.70
501-1000	18	0.75	14627	0.26
1001-5000	12	0.50	24224	0.43
5001-10000	1	0.04	6965	0.12
10001-50000	2	0.08	58000	1.04
50001-100000	0	0.00	0	0.00
100001 & above	7	0.29	5372325	96.45
Total	2400	100.00	5570000	100.00

Category	No. of Shares	%
Promoters	2909920	52.24
Mutual Funds, UTI	Nil	Nil
Banks, FIs, Insurance Cos, Govt. & Non-Govt. Institutions	2205	0.04
Private Corporate Bodies	48337	0.87
Public (Indian)	144369	2.60
NRIs / OCBs	2490	0.04
Foreign Companies	2462463	44.21
Clearing Member	216	0.00
Total	5570000	100.00

i. Dematerialisation of shares :

Out of total paid up capital of 5,570,000 equity shares as on 31st March, 2014, 5,428,757 equity shares (97.47%) and 71,313 equity shares (1.28%) are held in dematerialised form at NSDL and CDSL respectively.

j. Outstanding Instruments:

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

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

PO Pradhan Nagar, Siliguri 734 403

Sinclair's Darjeeling

18/1, Gandhi Road, Darjeeling 734 101

Sinclair's Retreat Dooars

Chalsa Hilltop, Chalsa 735 206, Dist. Jalpaiguri

Sinclair's Retreat Ooty

Gorishola Road, Ootacamund 643 001

Sinclair's Bayview Port Blair

South Point, Port Blair 744 106

Andaman & Nicobar Islands

Projects under implementation:
Sinclair's Retreat Kalimpong

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

Sinclair's Tourist Resort Burdwan

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

Sinclair's Kolkata

Plot DJ 14, Action Area ID
New Town, Rajarhat, Kolkata 700 156

I. Address for Correspondence :

Compliance Officer

Sinclair's Hotels Limited

Pressman House, 10A Lee Road, Kolkata 700 020

Phone : (033) 40310804/807

Email : ir@sinclairshotels.com

Auditor's Certificate

TO THE MEMBERS OF SINCLAIRS HOTELS LIMITED

We have examined the compliance of conditions of Corporate Governance by Sinclairs Hotels Limited for the year ended on March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

as stipulated in the above mentioned Listing Agreement.

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

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

Place: Kolkata
Date: May 30, 2014

per Bhaswar Sarkar
Partner
Membership No: 55596

DECLARATION

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

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

affirmed compliance with the Company's code of conduct for the year ended 31st March, 2014.

Kolkata
May 30, 2014

Navin Suchanti
Managing Director

Independent Auditor's Report

TO THE MEMBERS OF SINCLAIRS HOTELS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Sinclairs Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity

with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Attention is drawn to Note 35 of the financial statements regarding necessary post facto approvals under the Foreign Exchange Management Act in respect of warrants issued in previous years which are pending regulatory action. Our opinion is not qualified in this respect.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place: Kolkata
Date: May 30, 2014

Per Bhaswar Sarkar
Partner
Membership No.: 55596

Annexure to the Independent Auditors' Report

(REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF SINCLAIRS HOTELS LIMITED AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2014)

- | | |
|--|---|
| <p>(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>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.</p> <p>c) There was no disposal of substantial part of fixed assets during the year.</p> | <p>or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.</p> |
| <p>(ii) a) The management has conducted physical verification of inventory at reasonable intervals during the year.</p> <p>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.</p> <p>c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.</p> | <p>(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.</p> |
| <p>(iii) a) The Company had granted unsecured loans, to a company covered in the register maintained under section 301 of the Companies Act, 1956 which has been received back during the year. The maximum amount outstanding during the year was ₹ 58,307,931.</p> <p>b) In our opinion and according to the information and explanation given to us, the rate of interest & other terms & conditions for such loan were not, prima facie, prejudicial to the interest of the Company.</p> <p>c) The loan granted was re-payable on demand. There has been no default on the part of the party to whom such loan have been provided. The collection of interest was regular.</p> <p>d) There is no overdue amount of loan granted to the Companies, firms or other parties listed in register maintained under section 301 of the Companies Act, 1956.</p> <p>e) According to information and explanations given to us, the Company has not taken any loans, secured</p> | <p>(v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.</p> <p>(vi) The Company has not accepted any deposits from the public.</p> <p>(vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.</p> <p>(viii) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion the provisions of clause 4 (viii) of the order are not applicable to the Company.</p> |
| <p>(ix) a) Undisputed statutory dues including provident fund, including investor education and protection fund, employees' State Insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to the Company have generally been regularly deposited with appropriate authorities. During the year, the Company did not have any dues towards wealth tax and excise duty.</p> | |

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. During the year, the Company did not have any dues towards wealth tax and excise duty.
- c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute except for the following :

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
West Bengal Value Added Tax Act, 2003	Purchase tax, Turnover tax and Sales Tax, disallowance of remission and input tax credit etc.	2.41 lacs	1994-95, 2005-06 and 2010-11	Senior Joint Commissioner of Commercial Tax
		16.48 lacs	2006-07 and 2007-08	West Bengal Commercial Tax Appellate and Revisional Board

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has neither obtained any loans from banks & financial institutions nor issued debentures.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted

loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The company has not raised any money by way of public issue during the year.
- (xxi) We have been informed that an employee of the Company has misappropriated funds amounting to ₹1,164,803 during the year. The Company has filed a legal complaint against the said employee. (Also refer note 36 of the financial statement)

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

Place: Kolkata
Date: May 30, 2014

per Bhaswar Sarkar
Partner
Membership No.: 55596

Balance Sheet as at 31st March, 2014

Notes	As at 31st March 2014 ₹	As at 31st March 2013 ₹	
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	55,700,000	60,652,220
Reserves and Surplus	4	633,562,353	778,525,725
		689,262,353	839,177,945
Non Current Liabilities			
Deferred Tax Liability	5	24,798,470	28,444,037
Other Long Term Liabilities	6	9,564,806	8,419,863
		34,363,276	36,863,900
Current Liabilities			
Trade Payables	6	8,250,625	9,451,704
Other Current Liabilities	6	36,007,929	29,396,352
Short Term Provisions	7	27,133,568	1,755,291
		71,392,122	40,603,347
TOTAL		795,017,751	916,645,192
ASSETS			
Non-Current Assets			
Fixed Assets			
	8		
Tangible Assets		362,257,985	357,477,501
Capital Work-in-Progress		317,953,512	250,096,848
Non Current Investments	9	-	186,846,060
Long Term Loans and Advances	10	28,022,663	24,732,344
Other Non Current Assets	12	9,153,199	6,968,381
		717,387,359	826,121,134
Current Assets			
Current Investments	13	55,263,531	4,500,000
Inventories	14	2,881,860	2,639,740
Trade Receivables	11	6,420,330	10,448,495
Cash and Bank Balances	15	9,540,688	19,171,676
Short Term Loans and Advances	10	3,523,983	53,764,147
		77,630,392	90,524,058
TOTAL		795,017,751	916,645,192

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

As per our report of even date
For S.R.Batliboi & Co. LLP
Firm Registration Number 301003E
Chartered Accountants

per Bhaswar Sarkar
Partner
Membership No.55596
Kolkata, May 30, 2014

For and on behalf of the Board of Directors

Dr Niren Suchanti
Chairman

Kunal Bose
Director

Navin Suchanti
Managing Director

B L Soni
General Manager
(Finance and Accounts)

Statement of Profit and Loss for the year ended 31st March, 2014

	Notes	Year ended 31st March 2014 ₹	Year ended 31st March 2013 ₹
Income			
Revenue from Operations	16	225,344,051	195,943,086
Other Income	17	16,842,458	21,041,080
		242,186,509	216,984,166
Expenses:			
Food, Beverage and Stores Consumed	18	27,780,537	25,615,526
Employee Benefits Expense	19	42,146,805	40,244,701
Other Expenses	20	93,915,353	89,370,882
Depreciation and Amortization	21	27,474,762	21,481,685
		191,317,457	176,712,794
Profit Before Tax and Exceptional Item		50,869,052	40,271,372
Exceptional Items	34	42,393,551	114,619,042
Profit Before Tax		93,262,603	154,890,414
Tax Expense:			
Current Tax		27,226,931	33,993,940
Less: MAT Credit Entitlement		-	9,983,219
Net Current Tax Expense		27,226,931	24,010,721
Deferred Tax Charge/(Credit)		(3,645,567)	(12,271,635)
		23,581,364	11,739,086
Profit After Tax		69,681,239	143,151,328
Earnings Per Share [Nominal Value per share ₹10 (Previous year ₹10)]			
Basic and Diluted	22	11.72	23.60

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statement

As per our report of even date
For S.R.Batliboi & Co. LLP
Firm Registration Number 301003E
Chartered Accountants

per Bhaswar Sarkar
Partner
Membership No.55596
Kolkata, May 30, 2014

For and on behalf of the Board of Directors

Dr Niren Suchanti
Chairman

Kunal Bose
Director

Navin Suchanti
Managing Director

B L Soni
General Manager
(Finance and Accounts)

Cash Flow Statement for the year ended 31st March, 2014

	2013-14 ₹	2012-13 ₹
A. Cash Flow from Operating Activities		
Net Profit before Taxes	93,262,603	154,890,414
Adjustments For :		
Depreciation / Amortization	27,474,762	21,481,685
Exceptional Items	(42,393,551)	(114,619,042)
Profit on Redemption of Investments	(11,838,110)	(14,424,554)
Interest Income	(3,256,746)	(4,590,693)
Loss on Sale/Discard of Fixed Assets	4,485,730	9,240,533
Sundry balances w/off	-	974,921
Liabilities no longer required written back	(562,668)	(727,618)
Operating profit before working capital changes	67,172,020	52,225,646
Movements in working capital :		
Decrease/ (Increase) in Trade Receivables	4,028,165	(5,126,342)
Decrease/ (Increase) in Inventories	(242,120)	227,850
Decrease/ (Increase) in Long Term Loans and Advances	(207,823)	(700,922)
Decrease/ (Increase) in Short Term Loans and Advances	(467,767)	(1,309,213)
Decrease/ (Increase) in Other Current Assets	-	15,013,448
Increase / (Decrease) in Trade Payables	(638,411)	3,415,676
Increase / (Decrease) in Short-Term Provisions	26,364,718	(7,025)
Increase / (Decrease) in Other Non Current Liabilities	1,144,943	2,660,382
Increase / (Decrease) in Other Current Liabilities	6,761,196	1,964,200
Cash Generated From Operation	103,914,921	68,363,700
Direct taxes paid (net)	(24,583,918)	(32,852,892)
Net Cash Flow from Operating Activities	79,331,003	35,510,808
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(112,221,441)	(136,666,367)
Proceeds from Sale of Fixed Assets	15,504,229	118,349,531
Proceeds from sale of Equity Shares in Subsidiary / Associate Company*	214,604,361	4,480,000
Loan given to Subsidiary / Associate Company*	(7,600,000)	(42,707,931)
Loan Refunded by Associate Company*	58,307,931	-
Purchase of Current Investments	(456,080,000)	(290,037,000)
Proceeds from Sale/ Maturity of Current Investment	417,154,579	415,932,531
Deposit in Bank Deposits (having original maturity of more than three months)	(1,970,654)	(330,049)
Maturity of Bank Deposits (having original maturity of more than three months)	-	30,988,825
Interest Income	3,042,582	6,374,318
Net Cash from Investing Activities	130,741,587	106,383,858
C. Cash Flow from Financing Activities		
Payment on Buyback of Equity Shares	(193,136,580)	-
Dividends Paid	(22,780,512)	(107,970,672)
Tax on Dividend Paid	(3,786,486)	(17,710,752)
Net Cash used in Financing Activities	(219,703,578)	(125,681,424)
Net Increase in Cash and Cash Equivalents (A+B+C)	(9,630,988)	16,213,242
Cash and cash equivalents at the beginning of the year	19,171,676	2,958,434
Cash and cash equivalents at the end of the year	9,540,688	19,171,676
Components of cash and cash equivalents		
Balance with banks		
On current accounts	7,189,637	16,743,470
On unpaid dividend account **	1,188,674	1,689,186
Cash on hand	1,162,377	739,020
Cash and Bank Balances as per Note 15	9,540,688	19,171,676

* Savannah Hotels Private Limited ceased to be subsidiary w.e.f March 20, 2013 and became an Associate of Sinclairs Hotels Limited from that date and thereafter ceased to be an Associate from July 25, 2013.

**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.Battiboi & Co. LLP
Firm Registration Number 301003E
Chartered Accountants

per Bhaswar Sarkar
Partner
Membership No.55596
Kolkata, May 30, 2014

For and on behalf of the Board of Directors

Dr Niren Suchanti
Chairman

Kunal Bose
Director

Navin Suchanti
Managing Director

B L Soni
General Manager
(Finance and Accounts)

Notes to financial statements for the year ended 31st March 2014

1. CORPORATE INFORMATION

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

2. 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 read with General Circular No 8/2014 dated 4th April, 2014, issued by Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of assets for which revaluation is carried out. The accounting policies applied by the Company, are consistent with those used in the previous year.

(b) Use of estimates

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

(c) Tangible Fixed Assets

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

(d) Depreciation / Amortization

i. Depreciation is provided using the Straight Line Method as per rates prescribed under Schedule XIV of the Companies Act, 1956 or at rates determined based on the useful lives of the respective assets, as estimated by the management, whichever is higher. The useful lives of Building Improvements, Furniture and Fixtures, Electrical Installations and Plant and Machinery and depreciation as per management estimate is 5 years and the depreciation rates are as follows:

Particulars	Rate as per current useful life	Schedule XIV rates
Furniture and Fixtures	20%	9.50%
Electrical Installations	20%	4.75%
Plant and Machinery	20%	4.75%
Building Improvement	20%	1.63%

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 and 30 years in the case of Chalsa and Burdwan respectively.

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

(e) Impairment

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

(f) Leases

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

Notes to financial statements for the year ended 31st March 2014

(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. Service tax and other statutory dues are collected on behalf of the government and are excluded from revenue. It comprises of sale of room and food and beverages and other services.

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

ii. Interest

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

iii. Dividends

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

(k) Foreign Currency Transaction

i. Initial Recognition

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

ii. Conversion

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

iii. Exchange Differences

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

(l) Retirement and other employee benefits

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

Notes to financial statements for the year ended 31st March 2014

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

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

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

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

(m) Income taxes

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

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

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

(n) Segment Reporting Policy

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

(o) Earnings Per Share

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

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

(p) Provisions

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

(q) Contingent liabilities

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

(r) Cash and cash equivalents

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

Notes to financial statements for the year ended 31st March 2014

	As at 31st March 2014 ₹	As at 31st March 2013 ₹
3 SHARE CAPITAL		
Authorized Share Capital		
15,000,000 (previous year 15,000,000) equity shares of ₹10/- each	150,000,000	150,000,000
5,000,000 (previous year 5,000,000) redeemable preference shares of ₹10/- each	50,000,000	50,000,000
	200,000,000	200,000,000
Issued, subscribed and fully paid-up shares		
5,570,000 (previous year 6,065,222) equity shares of ₹10/- each fully paid-up	55,700,000	60,652,220

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	31st March 2014		31st March 2013	
	No.	Amount in ₹	No.	Amount in ₹
At the beginning of the year	6,065,222	60,652,220	6,065,222	60,652,220
Less: buyback during the year	495,222	4,952,220	-	-
Outstanding at the end of the year	5,570,000	55,700,000	6,065,222	60,652,220

(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 2014, the dividend amount per share recognized as distribution to equity shareholders is ₹4 (previous year ₹18).

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 31st March 2014		As at 31st March 2013	
	No of Equity Shares	% holding	No of Equity Shares	% holding
Equity shares of ₹10 each fully paid up				
Xander Investment Holding X Ltd	1,695,443	30.44%	1,978,741	32.62%
Pramina Suchanti	1,163,142	20.88%	1,256,224	20.71%
Sujata Suchanti	1,139,931	20.47%	1,231,613	20.31%
MCCS Investment Holding Ltd.	588,000	10.56%	588,000	9.69%
Dr. Niren Suchanti	313,051	5.62%	338,421	5.58%
Navin Suchanti	293,738	5.27%	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 2014

	As at 31st March 2014 ₹	As at 31st March 2013 ₹
4 RESERVES AND SURPLUS		
Capital Reserve		
Amalgamation Reserve		
Balance as per last financial statements	7,279,767	7,279,767
Capital Redemption Reserve		
Balance as per last financial statements	12,280,000	12,280,000
Add: Created on buyback of equity shares	4,952,220	-
Closing Balance	17,232,220	12,280,000
Capital Investment Subsidy		
Balance as per last financial statements	8,136,724	8,136,724
Securities Premium Account		
Balance as per last financial statements	509,405,585	509,405,585
Less: utilised for buyback of equity shares	188,184,360	-
Closing Balance	321,221,225	509,405,585
Revaluation Reserve		
Balance as per last financial statements	35,179,470	35,537,976
Less: amount transferred to the statement of profit and loss as reduction from depreciation (refer note 21)	393,765	358,506
Closing Balance	34,785,705	35,179,470
General Reserve		
Balance as per last financial statements	167,993,629	135,480,181
Add: amount transferred from assets held for disposal	-	15,013,448
Add: amount transferred from surplus balance in the statement of profit and loss	10,000,000	17,500,000
Closing Balance	177,993,629	167,993,629
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	38,250,550	39,483,970
Add: Profit for the year	69,681,239	143,151,328
	107,931,789	182,635,298
Appropriations:		
Dividend [amount per share ₹4 (previous year ₹18)]	22,280,000	109,173,996
Tax on Dividend	3,786,486	26,066,486
Transfer to General Reserve	10,000,000	17,500,000
Transfer to Capital Redemption Reserve on buy back of equity shares	4,952,220	-
Net surplus in the statement of profit and loss	66,913,083	38,250,550
	633,562,353	778,525,725

Notes to financial statements for the year ended 31st March 2014

	As at 31st March 2014		As at 31st March 2013	
	₹		₹	
5 DEFERRED TAX LIABILITY				
Timing difference on depreciable fixed assets	24,798,470		28,444,037	
6 OTHER LIABILITIES				
	Non-Current		Current	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Trade Payables				
For goods (refer note 24 for details of dues to micro and small enterprises)			5,141,804	4,963,808
For other expenses			3,108,821	4,487,896
			8,250,625	9,451,704
Other Liabilities				
Advances from Customers			5,820,602	4,572,883
Unclaimed dividend (Amount will be credited to Investor Education and Protection Fund when due)			1,188,674	1,689,186
Other payables				
Advance membership fees received	9,564,806	8,419,863	-	-
Deposits received from others			422,000	386,000
Creditors for fixed assets			17,719,558	17,368,665
Statutory Dues			6,567,093	1,909,008
Other payable (for employees etc)			4,290,002	3,470,610
	9,564,806	8,419,863	36,007,929	29,396,352
			Short-term	
			31st March 2014	31st March 2013
			₹	₹
7 PROVISIONS				
Provision for Gratuity			1,067,082	768,850
Provision for Tax [net of advance tax ₹NIL (previous year ₹33,007,500)]			-	986,441
Proposed Dividend on Equity Shares			22,280,000	-
Tax on Dividend			3,786,486	-
			27,133,568	1,755,291

Notes to financial statements for the year ended 31st March 2014

8 FIXED ASSETS AND CAPITAL WORK IN PROGRESS

	Tangible Asset							Intangible Asset Goodwill	Capital Work In Progress		
	Freehold Land	Leasehold Land	Building	Plant and equipment	Furniture and fixture	Electrical installation	Vehicles			Office equipment	Total
Cost or Revalued											
At 1 April 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	137,788,808
Additions	-	-	5,400,121	4,403,516	7,373,982	1,097,966	49,063	642,033	18,966,681	-	123,327,413
Disposals	-	-	11,548,671	13,164,600	3,541,097	1,658,050	370,772	-	30,283,190	-	11,019,373
At 31 March 2013	97,214,038	2,765,576	251,356,060	69,168,387	83,571,932	23,547,466	6,666,455	3,655,840	537,945,754	15,300,249	250,096,848
Additions	116,813	-	13,884,587	5,262,562	12,590,229	3,862,888	1,698,949	587,692	38,003,720	-	99,387,897
Disposals	-	-	7,468,536	2,623,136	1,121,157	1,657,400	843,000	116,501	13,829,730	-	31,531,233
At 31st March 2014	97,330,851	2,765,576	257,772,111	71,807,813	95,041,004	25,752,954	7,522,404	4,127,031	562,119,744	15,300,249	317,953,512
Depreciation/ Amortisation											
At 1 April 2012	-	475,280	66,516,334	35,640,548	31,968,046	8,337,773	2,733,901	2,143,253	147,815,135	13,005,212	-
Charge for the year	-	27,859	4,207,172	22,223,593	18,480,007	7,745,962	549,458	257,641	53,491,692	2,295,037	-
Disposals	-	-	5,408,296	10,859,365	2,822,876	1,547,873	200,164	-	20,838,574	-	-
At 31 March 2013	-	503,139	65,315,210	47,004,776	47,625,177	14,535,862	3,083,195	2,400,894	180,468,253	15,300,249	-
Charge for the year	-	27,935	5,067,766	8,547,222	10,587,851	2,735,676	589,809	312,268	27,868,527	-	-
Disposals	-	-	3,165,341	2,596,404	441,261	1,657,400	501,614	113,001	8,475,021	-	-
At 31st March 2014	-	531,074	67,217,635	52,955,594	57,771,767	15,614,138	3,171,390	2,600,161	199,861,759	15,300,249	-

Net Block

31st March, 2013	97,214,038	2,262,437	186,040,850	22,163,611	35,946,755	9,011,604	3,583,260	1,254,946	357,477,501	-	250,096,848
31st March 2014	97,330,851	2,234,502	190,554,476	18,852,219	37,269,237	10,138,816	4,351,014	1,526,870	362,257,985	-	317,953,512

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

b) Building includes those constructed on leasehold land, Gross Block ₹71,673,953 (previous year ₹71,673,953). Depreciation charge for the year ₹1,168,285 (previous year ₹1,162,903). Accumulated depreciation ₹15,364,117 (previous year ₹14,195,832). Net book value ₹56,309,835 (previous year ₹57,478,120).

c) Freehold land and capital work in progress include costs aggregating ₹106,185,306 (previous year ₹105,863,235) 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 2014

d) Capital Work in progress includes Expenditure on New/Expansion Projects which are pending allocation.

	As at 31st March 2014 ₹	As at 31st March 2013 ₹
Opening balance brought forward from previous year	8,826,160	4,271,022
Additions		
Salaries, Wages and Bonus	2,772,155	1,466,647
Power and Fuel	1,338,881	742,388
Rent	303,300	271,400
Rates and Taxes	82,364	25,162
Insurance	612,884	455,732
Legal and Professional	250,000	185,283
Travelling and Conveyance	594,652	500,137
Security Charges	1,832,277	612,034
Miscellaneous Expenses	599,582	296,355
	17,212,255	8,826,160

9 NON CURRENT INVESTMENT

Trade investments - Unquoted (valued at cost)	
Investments in Associate	
Nil (previous year 776,700) equity shares of ₹100 each fully paid-up in Savannah Hotels Private Limited	- 108,738,000
Debentures	
NIL (previous year 7,810,806) Zero rated Debentures of ₹10 each, fully paid up, in Savannah Hotels Private Limited.	- 78,108,060
	- 186,846,060
Aggregate amount of unquoted investments:	- 186,846,060

	Non-current		Current	
	As at 31st March 2014 ₹	As at 31st March 2013 ₹	As at 31st March 2014 ₹	As at 31st March 2013 ₹
10 LOANS AND ADVANCES				
(Unsecured, considered good)				
Capital Advances	15,586,952	8,875,001	-	-
Security Deposits	1,464,826	683,668	40,000	-
Loan to a related party (refer note 28)*	-	-	-	50,707,931
Advances recoverable in cash or kind	1,580,065	1,980,765	1,113,041	1,179,452
Other Loans and Advances				
Loans to employees (interest free)	-	30,000	309,182	309,163
Advance income tax (net of provision for taxation ₹98,212,061 (previous year ₹36,991,190))	6,891,636	2,969,749	-	-
MAT Credit Entitlement	2,431,877	9,983,219	-	-
Prepaid expenses	67,307	209,942	1,944,308	1,517,083
Balance with service tax and VAT authorities	-	-	117,452	50,518
	28,022,663	24,732,344	3,523,983	53,764,147

*Loan given to Savannah Hotels Private Limited ceased to be subsidiary w.e.f March 20, 2013 and became an Associate of Sinclairs Hotels Limited from that date and thereafter ceased to be an Associate from July 25, 2013. Maximum amount outstanding at anytime during the year is ₹58,307,931 (previous year ₹50,707,931).

Notes to financial statements for the year ended 31st March 2014

		Current			
		As at 31st March 2014 ₹	As at 31st March 2013 ₹		
11	TRADE RECEIVABLES (Unsecured, considered good)				
	Outstanding for a period exceeding six months from the date they are due for payment	867,852	551,024		
	Other receivables	5,552,478	9,897,471		
		6,420,330	10,448,495		
		Non-Current		Current	
		As at 31st March 2014 ₹	As at 31st March 2013 ₹	As at 31st March 2014 ₹	As at 31st March 2013 ₹
12	OTHER ASSETS (Unsecured, considered good)				
	Margin money deposit with bank (note15)	7,844,136	5,873,482	-	-
	Interest accrued, but not due on margin money / deposits with bank	1,309,063	1,094,899	-	-
		9,153,199	6,968,381	-	-
13	CURRENT INVESTMENTS				
	Mutual funds (unquoted) (Valued at lower of cost or fair value)				
	Nil (previous year 179,387.213) units of HDFC Mutual Fund- Treasury Advantage Plan Retail - Growth (Face value ₹10 each)			-	4,500,000
	411,674.593 units of HDFC Liquid Funds - DP- Growth (Face value ₹10 each)			10,263,531	-
	20,535.227 units of SBI Magnum Insta Cash Fund Liquid Floater - DP- Growth (Face value ₹10 each)			45,000,000	-
				55,263,531	4,500,000
	Aggregate amount of unquoted investments			55,263,531	4,500,000
14	INVENTORIES (valued at lower of cost and net realizable value)				
	Food and Beverages	1,626,536			1,373,128
	Linen, Curtains, Housekeeping Items etc.	1,255,324			1,266,612
		2,881,860			2,639,740

Notes to financial statements for the year ended 31st March 2014

	Non-Current		Current	
	As at 31st March 2014 ₹	As at 31st March 2013 ₹	As at 31st March 2014 ₹	As at 31st March 2013 ₹
15 CASH AND BANK BALANCES				
Balance with banks				
On current accounts			7,189,637	16,743,470
On unpaid dividend account			1,188,674	1,689,186
Cash in hand			1,162,377	739,020
			9,540,688	19,171,676
Other Bank Balances				
Margin money deposit*	7,844,136	5,873,482	-	-
	7,844,136	5,873,482		
Amount as disclosed under non-current assets (note 12)	(7,844,136)	(5,873,482)		
Net	-	-	9,540,688	19,171,676
*Margin money ₹7,372,126 (previous year ₹5,401,472) pledged against Bank Guarantees and ₹472,010 (previous year ₹472,010) pledged with the Registrar, Calcutta High Court towards certain litigations.				
			Year Ended 31st March 2014 ₹	Year Ended 31st March 2013 ₹
16 REVENUE FROM OPERATIONS				
Sale of services				
Room			136,564,843	115,278,615
Food and Beverages			71,873,242	65,847,808
Other operating revenues				
Car Hire Income			5,942,388	6,809,477
Others			10,963,578	8,007,186
			225,344,051	195,943,086
17 OTHER INCOME				
Interest Income				
- Deposits with Banks			1,050,018	1,233,332
- Loan to related party (refer note no. 28)			2,177,035	3,335,062
- Others			29,693	22,299
Net gain on sale of current investments			11,838,110	4,237,554
Profit on sale of long term investments			-	10,187,000
Liabilities no longer required written back			562,668	727,618
Bad debts recovered			377,357	-
Other non-operating income			807,577	1,298,215
			16,842,458	21,041,080
18 FOOD AND BEVERAGE CONSUMED				
Inventory at the beginning of the year			1,373,128	1,513,551
Add: Purchases			28,033,945	25,475,103
			29,407,073	26,988,654
Less : Inventory at the end of the year			1,626,536	1,373,128
			27,780,537	25,615,526
Details of Consumption				
Food and Groceries			25,228,534	22,619,309
Beverages and Wines			2,552,003	2,996,217
			27,780,537	25,615,526

Notes to financial statements for the year ended 31st March 2014

	Year Ended 31st March 2014 ₹	Year Ended 31st March 2013 ₹
19 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus etc.	33,288,742	30,871,958
Contribution to Provident and Other Funds	3,083,405	2,654,283
Staff welfare expenses	5,774,658	6,718,460
	42,146,805	40,244,701
20 OTHER EXPENSES		
Linen, Curtains, Housekeeping Items etc.	12,194,307	10,200,351
Power and Fuel	21,761,185	20,111,156
Rent	2,045,362	1,350,582
Rates and Taxes	7,143,616	2,801,422
Insurance	762,011	782,415
Repairs and Maintenance :		
Plant and Machinery	1,425,285	1,164,674
Buildings	2,468,273	2,735,790
Others	2,873,209	3,639,846
Advertising and Sales Promotion	8,383,550	8,526,543
Commission to Selling Agents	5,490,839	3,801,223
Travelling and Conveyance	3,196,718	3,325,154
Motor Car Expenses	2,235,772	2,141,741
Bank Charges	1,015,448	813,937
Car and Other Hire Charges	5,246,387	5,460,319
Communication Costs	983,726	947,571
Musical Expenses	412,329	714,163
Printing and Stationery	857,033	797,103
Legal and Professional Fees	3,011,820	2,914,305
Directors' Sitting Fees	50,000	50,000
Remuneration to Auditor		
As auditor:		
Statutory Audit	525,000	525,000
Limited Review	375,000	375,000
Certificate Fees	30,000	-
Service Tax and Reimbursement of Out-of-Pocket Expenses	138,975	143,592
Loss on Sale / Discard of Fixed Assets	4,485,730	9,240,533
Sundry Balances Written Off	-	974,921
Miscellaneous Expenses	6,803,778	5,833,541
	93,915,353	89,370,882
21 DEPRECIATION AND AMORTIZATION		
Depreciation on tangible assets	27,868,527	53,491,692
Amortization on intangible assets	-	2,295,037
	27,868,527	55,786,729
Less: Transferred from Revaluation Reserve	393,765	358,506
Less: Transferred to exceptional item (refer note 34)	-	33,946,538
	27,474,762	21,481,685

Notes to financial statements for the year ended 31st March 2014

22. Earnings per share (EPS)

Particulars		2013-14	2012-13
Net profit as per statement of profit and loss	₹	69,681,239	143,151,328
Weighted average number of equity shares in calculating basic EPS	Nos.	5,943,112	6,065,222
Nominal value of each share	₹	10	10
Basic and Diluted Earning per Share	₹	11.72	23.60

23. GRATUITY PLAN

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

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

Statement of Profit and Loss

Net employee benefit expense

Particulars	(Amount in Rupees)	
	2013-14	2012-13
Current service cost	449,922	417,147
Interest cost on benefit obligation	398,426	356,100
Expected return on plan assets	(386,885)	(372,573)
Net actuarial loss recognised in the year	605,619	368,176
Past service cost	-	-
Net benefit expense	1,067,082	768,850
Actual return on plan assets	386,885	372,573

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

Balance Sheet

Particulars	(Amount in Rupees)	
	As at 31st March, 2014	As at 31st March, 2013
Details of Provision for Gratuity		
Defined benefit obligation	4,905,439	4,980,327
Fair value of plan assets	3,838,357	4,211,477
	1,067,082	768,850
Less: Unrecognised past service cost	-	-
Net Liability	1,067,082	768,850

Notes to financial statements for the year ended 31st March 2014

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

Particulars	(Amount in Rupees)	
	As at 31st March, 2014	As at 31st March, 2013
Opening defined benefit obligation	4,980,327	4,451,246
Interest cost	398,426	356,100
Current service cost	449,922	417,147
Benefits paid	(1,528,855)	(612,342)
Actuarial losses on obligation	605,619	368,176
Plan Amendments	-	-
Closing defined benefit obligation	4,905,439	4,980,327

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

Particulars	(Amount in Rupees)	
	As at 31st March, 2014	As at 31st March, 2013
Opening fair value of the plan assets	4,211,477	3,675,371
Expected return	386,885	372,573
Contributions by employer	768,850	775,875
Benefits paid	(1,528,855)	(612,342)
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	3,838,357	4,211,477

The Company will contribute 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, 2014	As at 31st March, 2013
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	2013-14	2012-13
Discount rate	8.00%	8.00 %
Expected rate of return on assets	8.75%	9.15 %
Expected rate of future salary increase	5.00%	5.50 %
Mortality Table	LIC (1994-96) ultimate	LIC (1994-96) ultimate

Amount incurred as expense for defined contribution plans:

Particulars	(Amount in Rupees)	
	2013-14	2012-13
Contribution to Provident Fund	2,016,323	1,885,433

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.

Notes to financial statements for the year ended 31st March 2014

Amounts for the current and previous four years are as follows: (Amount in Rupees)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Defined benefit obligation	4,905,439	4,980,327	4,451,246	3,656,882	2,950,041
Plan assets	3,838,357	4,211,477	3,675,371	2,997,932	2,660,158
Deficit / (Surplus)	1,067,082	768,850	775,875	658,950	289,883

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

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

25 SEGMENT INFORMATION

The Company's business activity primarily falls within a single business segment i.e. hoteliering and hence no additional disclosure other than those already made in the financial statements are required under Accounting Standard 17. The Company at present, operates in India only and therefore the analysis of geographical segment is not applicable to the Company

26 CAPITAL COMMITMENT: (Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Estimated amount of contracts remaining to be executed on capital contract and not provided for (Net of Advances)	27,206,375	31,138,436

27. CONTINGENT LIABILITIES NOT PROVIDED FOR (Amount in Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Sales Tax matters under dispute / appeal	410,428	534,369
EPCG (Duty amount on outstanding export obligations)	1,621,532	2,268,339

28. RELATED PARTY DISCLOSURES

(a) Names of related parties:

Key Management Personnel	Mr Navin Suchanti (Managing Director)
	Mr Vikash Kuthari (Wholetime Director up to January 28, 2014)
Relatives of Key Management Personnel	Dr. Niren Suchanti (Brother of Managing Director)
	Ms. Pooja Suchanti (Daughter of Managing Director)
Subsidiary Company	Savannah Hotels Private Limited*
Associate Company	Savannah Hotels Private Limited*
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Pressman Advertising Limited
	Pressman Properties Limited
	Pressman Realty Limited
	Son-et-Lumiere Art Gallery Private Limited

* Savannah Hotels Private Limited ceased to be subsidiary w.e.f March 20, 2013 and became an Associate of Sinclairs Hotels Limited from that date and thereafter ceased to be an Associate from July 25, 2013.

Notes to financial statements for the year ended 31st March 2014

(b) Related Party Transactions:

₹

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Subsidiary Company*	Associate Company*	Enterprises owned or significantly influenced by key management personnel or their relatives				Total
	Mr. Navin Suchanti	Mr. Vikash Kuthari	Dr. Niren Suchanti	Ms. Pooja Suchanti	Savannah Hotels Pvt. Ltd.	Savannah Hotels Pvt. Ltd.	Pressman Properties Limited	Pressman Realty Limited	Son-et-Lumiere Art Gallery Pvt. Ltd.	Pressman Advertising Limited	
Directors' Remuneration	1,067,910	1,458,560									2,526,470
	(787,967)	(1,419,360)									(2,207,327)
Directors' Sitting Fees			20,000								20,000
			(15,000)								(15,000)
Salary, Wages Bonus and Contribution to Provident and Other Funds				756,720							756,720
				(650,400)							(650,400)
Electricity Charges							63,275				63,275
							(70,505)				(70,505)
Rent							1,011,240	303,372	180,000		1,494,612
							(707,868)	(387,642)	(180,000)		(1,275,510)
Advertising and Sales Promotion										6,912,231	6,912,231
										(6,626,409)	(6,626,409)
Interest Income					-	2,177,035					2,177,035
					(3,151,680)	(183,382)					(3,335,062)
Management Consultancy Income					-	440,317					440,317
					(1,007,143)	-					(1,007,143)
Loan to Subsidiary/ Associate Company					-	7,600,000					7,600,000
					(42,707,931)	-					(42,707,931)
Loan refund from Associate Company						58,307,931					58,307,931
						-					-
Sale of Investment	-										-
	(4,480,000)										(4,480,000)
Investment in Equity Shares of Subsidiary/ Associate Company					-	-					-
					-	(108,738,000)					(108,738,000)
Investment in Debentures of Subsidiary/ Associate Company					-	-					-
						(78,108,060)					(78,108,060)
Balance Payable at year end	567,910									42,638	610,548
- Trade payable	(287,967)									(921,167)	(1,209,134)
Balance Receivable at year end											
- Short Term Loans and Advances						(51,715,074)					(51,715,074)

* Savannah Hotels Private Limited ceased to be subsidiary w.e.f March 20, 2013 and became an Associate of Sinclair's Hotels Limited from that date and thereafter ceased to be an Associate from July 25, 2013.

The remuneration to the key managerial personnel does not include the provisions made for gratuity, as they are determined on an actuarial basis for the Company as a whole. Previous year's figures given in brackets.

Notes to financial statements for the year ended 31st March 2014

29. VALUE OF IMPORTS CALCULATED ON CIF BASIS			₹
Particulars	2013-14	2012-13	
Capital goods	-	3,262,085	

30. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)			₹
Particulars	2013-14	2012-13	
Commission	636,330	253,155	
Sales and Promotion	330,564	-	
	996,894	253,155	

31. INDIGENOUS FOOD, BEVERAGE AND STORES CONSUMED				₹
Particulars	Percentage of total consumption			
	2013-14	2012-13	2013-14	2012-13
Indigenous	100.00	100.00	27,780,537	25,615,526
Imported	-	-	-	-

32. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)			₹
Particulars	2013-14	2012-13	
Income from services	5,373,839	5,808,395	

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 DIVIDEND :			₹
Period to which it relates	1-4-2013 to 31-3-2014	1-4-2012 to 31-3-2013	
No. of non-resident shareholders	-	31	
No. of Shares held	-	2,637,251	
Amount remitted (USD)**	-	862,946	
Amount remitted (₹)**	-	47,436,138	

** Excluding amount aggregating to ₹ Nil (₹34,380) remitted to Non-resident shareholders in Indian Currency.

34. Exceptional Items Profit / (Loss)			₹
Particulars	2013-14	2012-13	
Surplus on sale of immovable property	14,635,250*	148,565,580	
Depreciation expenses	-	(33,946,538)	
Sale of equity shares and debentures of associate company Savannah Hotels Private Limited	27,758,301	-	
	42,393,551	114,619,042	

*Represents balance consideration received on sale of land in the previous year which was not recognised earlier due to uncertainty of realisation.



FORM A

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

1.	Name of the Company:	Sinclairs Hotels Limited
2.	Annual financial statements for the period ended	March 31, 2014
3.	Type of Audit observation	Matter of Emphasis as reported by Statutory Auditors is reproduced hereunder:- Attention is drawn to Note No 35 of the financial statements regarding necessary post facto approvals under the Foreign Exchange Management Act in respect of warrants issued in previous years which are pending regulatory action. Our opinion is not qualified in this respect. *
4.	Frequency of observation	First time in 2013-2014
5.	To be signed by: Navin Suchanti Managing Director	Sinclairs Hotels Ltd.  Managing Director
	Kunal Bose Audit Committee Chairman	Sinclairs Hotels Ltd  Director
	Bhaswar Sarkar Partner Membership no. 55596 For S. R. Batliboi & Co. LLP Chartered Accountants ICAI Firm Registration no. 301003E (Statutory Auditors of the company)	 

* The FIPB approval dated August 14, 2014 has since been received.

Sinclairs Hotels Limited

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CIN : L55101WB1971PLC028152

DARJEELING | DOOARS | OOTY | PORT BLAIR | SILIGURI