

Annual Report 2014-2015



Sinclairs Darjeeling



Sinclairs Retreat Dooars



Sinclairs Retreat Kalimpong



Sinclairs Retreat Ooty



Sinclairs Bayview Port Blair



Sinclairs Siliguri

Corporate Information

Board of Directors

Dr Niren Suchanti, Chairman
Navin Suchanti, Managing Director
Rohan Sikri
Hardeep Sachdeva
Kunal Bose
S C Sekhar
Aseem Kohli
Preeti Khicha

Chief Financial Officer

B L Soni

Auditors

S R Batliboi & Co. LLP
Chartered Accountants
(Firm Registration No. 301003E)

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
Sinclairs Retreat Kalimpong

Projects under implementation

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 Fortythird Annual Report of the company together with the Audited Accounts for the year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS

Particulars	₹ in lacs	
	Current Year	Previous Year
Revenue from operations	2926.35	2253.44
Operating Profit	1061.91	615.01
Other Income	88.62	168.43
Depreciation	447.68	274.75
Profit after depreciation and before tax	702.85	508.69
Exceptional items	-	423.93
Profit before tax	702.85	932.62
Tax Expenses :		
Current Tax	140.62	272.27
MAT Credit Entitlement	(140.62)	-
Deferred Tax	228.94	(36.46)
	228.94	235.81
Net Profit	473.91	696.81
Add : Balance Brought forward from last year	669.13	382.50
	1143.04	1079.31
Appropriation		
Transfer to General Reserve	100.00	100.00
Transfer to Capital Redemption Reserve on buyback of equity shares	-	49.52
Proposed Dividend	222.80	222.80
Dividend Distribution Tax	45.36	37.86
Balance Carried to Balance Sheet	774.88	669.13
	1143.04	1079.31

PERFORMANCE

The company achieved a record operating revenue of ₹2926.35 lacs as against ₹2253.44 lacs in the previous year registering a growth of 29.86% during the year. Operating Profit increased from ₹615.01 lacs to ₹1061.91 lacs reflecting a jump of 72.66%. The Operating Profit Ratio has improved from 27.29% to 36.29% indicating better operational efficiency.

The Company's luxury resort project at Kalimpong (46 rooms and 2 suites) has commenced operation from 15th November, 2014. With political stability in the country, encouragement from new Government for promoting tourism industry and addition of one more property, the Company expects substantial growth in the operational results in the current year.

FUTURE PLANS

The implementation of the project at Burdwan is in an advanced

stage and is expected to be commissioned for operations by September, 2015. The Company has received sanction for a 114 room first class business hotel in New Town, Kolkata.

DIVIDEND

Your Directors are pleased to recommend a dividend of 40% (₹4 per equity share of ₹10) for the year 2014-2015 amounting to ₹268.16 lacs inclusive of dividend distribution tax of ₹45.36 lacs.

DIRECTORS

Ms Preeti Khicha (DIN:05108059) was appointed as an Additional Director on 26th March, 2015 and will hold office till the ensuing Annual General Meeting. The company has received a notice in writing from a shareholder together with requisite deposit proposing the name of Ms Preeti Khicha to be elected as a Director of the company.

Mr S C Sekhar (DIN: 00024780) was appointed as an Independent Director on 11th April, 2015 for one year subject to approval of members at the ensuing Annual General Meeting. The Company has received a notice in writing from a shareholder together with requisite deposit proposing the name of Mr S C Sekhar to be elected as an Independent Director.

He has given a declaration that he meets the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Your Directors state that Mr S C Sekhar possess appropriate balance of skills, expertise and knowledge and is qualified for appointment as Independent Director.

Mr Rohan Sikri (DIN: 00216343) retires by rotation and being eligible offers himself for re-appointment.

Mr Hardeep Sachdeva (DIN: 00374288) retires by rotation and being eligible offers himself for re-appointment.

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.

NUMBER OF BOARD MEETINGS HELD

There were four meetings of the Board of Directors during the financial year from 1st April, 2014 to 31st March, 2015. Details of meetings held are given on Report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, we hereby state and confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) 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, 2015.
- iii) 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) the directors have prepared the annual accounts on a going concern basis.
- v) internal financial controls has been laid down by the Company which are adequate and are operating effectively.
- vi) 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 section 134(3) (m) of the Companies Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is not annexed.

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

During the year, your Company earned ₹ 6,055,912 in foreign exchange (previous year ₹ 5,373,839). There was expenditure in foreign currency of ₹ 1,034,545 (previous year ₹ 966,894).

PUBLIC DEPOSITS

Your company has not accepted any deposits from the public.

SECRETARIAL AUDIT

In pursuance of Section 204 of the Companies Act, 2013, a practicing company secretary has submitted the Secretarial Audit Report for the year ended 31st March, 2015 and the same is annexed and forms part of this annual report.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility Committee(CSR) as required under Companies Act, 2013.

The Committee will look at various proposals for CSR projects as specified in Schedule VII of the Companies Act, 2013 and the related activities thereto and recommend to the Board.

In the current year, the committee has decided to take up a project in Darjeeling to build a proper road around its hotel which is a municipal road and is used by a large number of residents and others. The said road has a broken sewerage system, faulty drainage and is in damaged state. The filth and stench on the road becomes unbearable and it is dangerous to navigate the same. Inspired by the Swachh Bharat initiative of the Government, the company proposes to take up the complete revamp of the said road including its lighting etc to alleviate the problem of the local people. As per estimates received, the work will involve an expenditure of approximately ₹12 lacs.

The project requires co-ordination with Darjeeling Municipality and the Sewerage and Drainage department of the town, and sanction of various authorities. Application for same has been made to the Darjeeling Municipality for this purpose during the financial year and on receipt of the sanction, work will be taken up. Since no amount has been spent on the project in the current financial year, there is no disclosure in the accounts.

VIGIL MECHANISM

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the *investor information* website of the Company at www.sinclairindia.com.

RELATED PARTY TRANSACTIONS

Related party transactions that were entered during the financial year were at an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. The particulars of contracts entered during the year as per Form AOC-2 is attached with this report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed hereto.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There are no loans, guarantees, or investments made by the Company covered under the provision of Section 186 of the Companies Act, 2013.

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES

The information required in terms of Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/Key

Managerial Personnel is furnished hereunder:

Sl. No.	Name	Designation	Remuneration paid FY 2014-15 (₹ in lacs)	Remuneration paid FY 2013-14 (₹ in lacs)	Increase in remuneration from previous year (₹ in lacs)	Ratio per Median of employee remuneration (₹ in lacs)
1	Mr Navin Suchanti	Managing Director	14.06	10.68	3.38	2.26
2	Mr B L Soni	CFO	11.00	9.52	1.48	1.77

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

The policy of the Company on risk management is provided in this Annual report in Management Discussion and Analysis Report.

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.

Pressman House
10A Lee Road
Kolkata 700 020
May 26, 2015

For and on behalf of the Board

Dr Niren Suchanti
Chairman

Form No AOC-2

(Pursuant to clause(h) of sub-section(3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transaction not at arm's length basis

There are no contracts or arrangements or transaction not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

a. Name of the related party and nature of relationship	b. Nature of contracts or arrangement or transactions at arm's length basis	c. Duration of the contracts / arrangements / transaction	d. Salient terms of the contracts or arrangements or transactions including the value, if any	e. Date of approval by the Board, if any	f. Amount paid as advances, if any
Mr Navin Suchanti Managing Director	Commission	01.04.2011 to 31.03.2016	2% of net profit or ₹5 lacs per annum, which is higher, payable quarterly. In addition, reimbursement of all entertainment, traveling, hotel and other expenses incurred by him during the course and in connection with the business of the company.	30.05.2011	Nil
Dr Niren Suchanti, Chairman	Sitting Fee	N.A.	₹5000 per Board meeting	-	Nil
Ms Pooja Suchanti Shah Chief of Communications	Salary	01.04.2011 to 31.03.2016	₹57760 per month	30.05.2011	Nil
Pressman Properties Ltd	Rent for office space	Perpetual	₹100000 per month	11.04.2008	Nil
Pressman Realty Ltd	Rent for office space	Perpetual	₹50000 per month	11.04.2008	Nil
Son-et-Lumiere Art Gallery Pvt Ltd	Rent for office space	Perpetual	₹15000 per month	11.04.2008	Nil
Pressman Advertising Ltd	Press release/ notifications in news papers, magazines and digital advertising	As per requirement	Rates charged as prescribed by news paper, magazine, digital media, etc.	11.04.2008	Nil
Mr B L Soni, CFO	Salary	Contractual	₹94112 per month	-	Nil

EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March, 2015
Form MGT 9

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION DETAILS		
i)	CIN	L55101WB1971PLC028152
ii)	Registration Date	02-12-1971
iii)	Name of the Company	SINCLAIRS HOTELS LIMITED
iv)	Category/ sub category of the Company	Non-Govt Indian Companies having share Capital
v)	Address of the Registered office and contact details	Pressman House, 10A Lee Road Kolkata 700 020 Ph : 033-40310804, Fax:033-40310813
vi)	Whether listed Company	Yes (Listed in BSE & CSE)
vii)	Name , address and contact details of Registrar and Transfer Agent, if any	Niche Technologies Pvt Ltd D-511 Bagree Market, 71 B R B Basu Road, Kolkata 700001 Ph : 033-2235 7270, Fax: 033-2215 6823 e:nichetechpl@nichetechpl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl.No.	Name and Description of main products / services	NIC Code of the product/service	% of total turnover of the Company
1	Hotels & motels	55101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No.	Name and Address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1	NIL				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share holding

Category of shareholders	No of shares held at the beginning of the year				No of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual	2909862	Nil	2909862	52.24	2909862	Nil	2909862	52.24	Nil
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp	58	Nil	58	0.00	58	Nil	58	0.00	Nil
e) Banks/FI any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1) :	2909920	Nil	2909920	52.24	2909920	Nil	2909920	52.24	Nil
2) Foreign									
a) NRI-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of promoter (A)= (A)(1) + (A)(2)	2909920	Nil	2909920	52.24	2909920	Nil	2909920	52.24	Nil

Category of shareholders	No of shares held at the beginning of the year				No of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
B. Public Shareholding									
1. Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Mutual funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks/FI	Nil	2205	2205	0.04	Nil	2205	2205	0.04	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt	33000	Nil	33000	0.59	33000	Nil	33000	0.59	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Co.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) QFI- Corporates	2462463	Nil	2462463	44.21	2395505	Nil	2395505	43.01	(1.20)
Sub-total (B) (1)	2495463	2205	2497668	44.84	2428505	2205	2430710	43.64	(1.20)
2 Non Institutions									
a) Bodies corp									
i) Indian	14592	745	15337	0.28	23178	745	23923	0.43	0.16
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individuals holding share capital upto ₹1 lakh	54194	65175	119369	2.15	107639	61903	169542	3.04	0.90
ii) Individual holding share capital in excess of ₹1 lakh	25000	Nil	25000	0.45	25000	Nil	25000	0.45	Nil
c) Others (specify) NRI/OCBs	685	1805	2490	0.04	3102	1805	4907	0.09	0.04
Clearing Members	216	Nil	216	0.00	5998	Nil	5998	0.11	0.10
Sub-total (B) (2):	127687	67725	195412	2.90	164917	64453	229370	4.12	1.20
Total Public shareholding (B) = (B) (1) + (B)(2)	2590150	69930	2660080	47.76	2593422	66658	2660080	47.76	Nil
C. Shares held by Custodian for GDRS & ADRS	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	5500070	69930	5570000	100.00	5503342	66658	5570000	100.00	Nil

ii) Shareholding of Promoters

Sl. No.	Shareholders name	Shareholding			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	No of shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	
1	Niren Chand Suchanti	313051	5.62	Nil	313051	5.62	Nil	Nil
2	Navin Chand Suchanti	293738	5.27	Nil	293738	5.27	Nil	Nil
3	Sujata Suchanti	1139931	20.47	Nil	1139931	20.47	Nil	Nil
4	Pramina Suchanti	1163142	20.88	Nil	1163142	20.88	Nil	Nil
5	Prima Communications Ltd	58	0.00	Nil	58	0.00	Nil	Nil
	Total	2909920	52.24	Nil	2909920	52.24	Nil	Nil

iii) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in the Promoters' Shareholding during the year

iv) Shareholding Pattern of top ten shareholders (other than Directors, promoters and Holders of GDRS and ADRS)

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Xander Investment Holding X Ltd	1695443	30.44	1628485	29.24
2	MCCS Investment Holding Ltd	580000	10.56	588000	10.56
3	MRCS Investment Holding Ltd	179020	3.21	179020	3.21
4	West Bengal Financial Corporation	33000	0.59	33300	0.59
5	Lincon P Coelho	25000	0.45	25000	0.45
6	Subodh Securities Pvt Ltd	6965	0.12	7000	0.13
7	Sumana Dasgupta	3349	0.06	9987	0.18
8	Chirayush Pravin Vakil	2997	0.05	5714	0.10
9	Aditi Prasoon Bhatt	-	-	9900	0.18
10	Anil Kumar Shroff	-	-	8374	0.15

v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Dr Niren Chand Suchanti, Chairman At the beginning of the year At the end of the year	313051	5.62	313051	5.62
		313051	5.62	313051	5.62
2	Mr Navin Chand Suchanti, Managing Director At the beginning of the year At the end of the year	293738	5.27	293738	5.27
		293738	5.27	293738	5.27
3	Mr Rohan Sikri, Director At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
4	Mr Hardeep Sachdeva, Director At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
5	Mr Aseem Kohli, Director At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
6	Mr Kunal Bose, Independent Director At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
7	Ms Preeti Khicha, Director At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
8	Mr S C Sekhar, Independent Director At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
9	B L Soni, Chief Financial Officer At the beginning of the year At the end of the year	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil

V. INDEBTEDNESS

The company had no debts at the beginning of the financial year, during the year and at the end of the financial year.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL**A. Remuneration to Managing Director, Wholtime Directors and / or Manager**

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of Managing Director	Total Amount
		Mr Navin Suchanti	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	Nil Nil Nil	Nil Nil Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as 2 % of profit - others, specify	14.06 Nil	14.06 Nil
5.	Others, please specify	Nil	Nil
	Total	14.06	14.06
Ceiling as per the Act	₹78.86 lacs (being 11% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)		

B1. Remuneration to other Directors :

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Dr. Niren Suchanti	Mr Kunal Bose	
1	Independent Directors • Fee for attending board and audit committee meetings • Commission • Others, please specify	- - -	0.30 - -	0.30 - -
	Total (1)	-	0.30	0.30
2	Other Non-Executive Directors • Fee for attending board meetings • Commission • Others, please specify	0.20 - -	- - -	0.20 - -
	Total (2)	0.20	-	0.20
	Total (1+2)	0.20	0.30	0.50

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/WTD/MANAGER

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of Managerial Personnel		Total Amount
		Mr B L Soni, Chief Financial Officer		
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	11.00 Nil Nil		11.00 Nil Nil
2.	Stock Option	Nil		Nil
3.	Sweat Equity	Nil		Nil
4.	Commission - as 2 % of profit - others, specify	Nil Nil		Nil Nil
5.	Others, please specify	Nil		Nil
	Total	11.00		11.00

VII. PENALTIES /PUNISHMENT/ COMPOUNDING OF OFFENCES :

A. COMPANY

Penalty / Punishment	Nil
Compounding	Compounding fee of ₹2,120,100 has been levied by Reserve Bank of India under Foreign Exchange Management Act,1999 and provisions of Foreign Exchange (Compounding proceedings) Rules, 2000 due to the ambiguity of interpretation of law pertaining to issuance of convertible warrants to the Foreign investors in the year 2007 for not taking prior permission of Reserve Bank of India. The fee has already been paid.

B. DIRECTORS

Penalty / Punishment / Compounding	None
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C. OTHER OFFICERS IN DEFAULT

Penalty / Punishment / Compounding	None
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Management Discussion and Analysis Report

Industry Structure and Development, Opportunities and Threats

The Indian tourism and hospitality industry is fast emerging as one of the key drivers of growth in the services sector in India. The NDA government which assumed office in May last year is laying great emphasis on the growth of tourism. This is in view of the fact that Indian Tourism Industry is a potential game changer. The advantage is that the industry is an employment generator for people with different skills, a significant source of foreign exchange earnings and it promotes economic activities benefitting the local communities. The government has taken several steps to make India a global tourism hub.

The National Heritage City Development and Augmentation Yojana (HRIDAY) for the development of 12 heritage cities in the first phase; establishment of 'Project Mausam' to establish cross cultural linkages and to revive historic maritime cultural and economic ties with 39 Indian Ocean countries, are some of the important initiatives of the Government.

Globally, the travel and tourism sector has developed into a US\$ 6.5 trillion industry. The global hotel industry generates annual revenue between US\$ 400 and \$500 billion.

In India, foreign tourist arrivals (FTAs) have grown steadily in the last three years reaching around 7.46 million in 2014. Foreign exchange earnings from tourism in terms of US dollar grew by 7.1 per cent in 2014.

The electronic Visa on Arrival (VoA) scheme launched by the Government in November 2014 for nationals of 43 countries has since been expanded to 155 countries. This has led to a massive growth in tourist arrivals. For example, in the month of January 2015, a total of 25,023 tourists arrived by availing VoA as compared to 1,903 VoA in the same month of last year.

Hospitality industry has grown by around 15 per cent in 2014-15 aided by improvement in economic and business condition in the country. The increased demand will lead to higher occupancies.

Outlook

India's travel and tourism industry has huge growth potential. The well known rating agency ICRA expects the revenue growth of Indian hotel industry strengthening to 9-11 per cent in 2015-16.

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 have greater resilience to meet the challenges in 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 meet with the challenges of competing properties.

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 defined value based 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 338 employees.

ARUP KUMAR ROY
 Practicing Company Secretary

201 Sarat Bose Road Kolkata 700 029
 Phone : 033-2463 5197 M : 9831687785
 arupkroy@rediffmail.com

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
 The Members,
 Sinclairs Hotels Limited
 Pressman House, 10A Lee Road
 Kolkata- 700020

I have conducted the secretarial audit with regard to compliance of applicable statutory provisions and adherence to good corporate practices by Sinclairs Hotels Limited (the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of Sinclairs Hotels Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999(Not applicable to the Company during the audit period);

(e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);

(f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(Not applicable to the Company during the audit period); and

(h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(Not applicable to the Company during the audit period);

(vi) And other applicable laws and statutes.

2. I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with Calcutta Stock Exchange Limited (CSE) and BSE Limited (BSE).

3. I further report the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

4. Adequate notice is given to all directors in respect of Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

5. Majority decision is carried through while the dissenting members' views are recorded as part of the minutes.

6. I further report that there are adequate systems and processes in the company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

7. I further report that during the audit period the company has :

- a) declared dividend during the year and all relevant provisions were complied;
- b) complied with the provisions under section 204 of the Companies Act, 2013 in respect of appointment of Secretarial Auditor for conducting secretarial audit.

Place : Kolkata
 Date: 26.05.2015

ARUP KUMAR ROY
 ACS No. : 6784
 C P No.: 9597

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

During the financial year 2014-2015, four meetings of the board were held. These meetings were held on 30th May, 2014, 12th August, 2014, 14th November, 2014 and 12th February, 2015.

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 Director	Nil
Mr Kunal Bose	Director	Non-Executive Independent Director	Nil
Mr Hardeep Sachdeva	Director	Non-Executive Director	Nil
Mr Aseem Kohli	Director	Non-Executive Director	Nil
Mr Preeti Khicha*	Director	Non-Executive Director	Nil
Mr S C Sekhar**	Director	Non-Executive Independent Director	Nil

* Appointed on 26th March, 2015 ** Appointed on 11th April, 2015

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	2	No	Nil	Nil
Mr Kunal Bose	4	4	Yes	Nil	Nil
Mr Hardeep Sachdeva	4	3	No	Nil	Nil
Mr Aseem Kohli	4	4	No	Nil	Nil
Mr Preeti Khicha*	4	Nil	No	Nil	Nil
Mr S C Sekhar**	4	Nil	No	1	1

Chairman/Membership Audit Committee and Stakeholders Relationship Committee of Public Companies

* Appointed on 26th March, 2015 ** Appointed on 11th April, 2015

Details of Directors Seeking Appointment / Reappointment

Brief resume of the directors being appointed / 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	Ms Preeti Khicha	Mr S C Sekhar	Mr Rohan Sikri	Mr Hardeep Sachdeva
Date of Birth	21.11.1981	27.01.1953	17.10.1974	25.10.1971
Date of appointment	26.03.2015	11.04.2015	18.12.2007	18.12.2007
Qualification	Post Graduate in Management (Specialisation in Marketing) from University of Bath (UK)	Chartered Accountant	MBA	LL.B
Expertise in specific functional area	7 years experience in journalism, public relations and hospitality	37 years experience in hospitality industry with ITC Limited (Hotels Division) spanning project management and implementation, recruitment and training, designing appraisal systems to ensure transparency and good governance.	15 years experience in real estate, corporate finance and investment advisory.	20 years experience in advising on major corporate acquisitions, joint venture, restructuring foreign inward investment, Corporate Law, MRTP Act, 1961 and other related statutes. He is a partner of AZB & Partners, Advocates & Solicitors
Directorships held in Other Public Companies (excluding foreign companies, and section 25 Companies)	Nil	1	Nil	Nil
Membership/ Chairmanship of Committee of the Public Companies (includes only Audit Committee and shareholders/ Investors Grievance Committee)	Nil	1	Nil	Nil
No of shares held in the Company	Nil	Nil	Nil	Nil

III. Audit Committee

Terms of Reference

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

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

Composition

Mr Kunal Bose	Chairman (Non-Executive Independent Director)
Mr Navin Suchanti	Member (Executive Director)
Mr S C Sekhar*	Member (Non-Executive Independent Director)
Mr Rohan Sikri**	Member (Non-Executive Director)
Mr Hardeep Sachdeva***	Member (Non-Executive Director)
Mr B L Soni	CFO & Compliance Officer - Invitee

* Appointed on 13th May, 2015

** Resigned on 30th May, 2014

*** Resigned on 13th May, 2015

Meetings and attendance during the year

During the financial year 2014-2015, four meetings of the committee were held on 30th May, 2014, 12th August, 2014, 12th November, 2014 and 12th February, 2015. The time gap between two meetings was less than four months.

Members	Meetings held	Meetings attended
Mr Kunal Bose	4	4
Mr Navin Suchanti	4	4
Mr S C Sekhar*	4	Nil
Mr Rohan Sikri**	4	1
Mr Hardeep Sachdeva***	4	3

* Appointed on 13th May, 2015

** Resigned on 30th May, 2014

*** Resigned on 13th May, 2015

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

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

A. Executive Director

Details of remuneration paid to Mr Navin Suchanti, Managing Director for the financial year ended 31st March, 2015:

Particulars	
Salary and Allowances	-
Contribution to PF and Family Pension Fund	-
Bonus	-
Commission	₹ 1,405,688
Service Contract	5 years(01.04.2011 to 31.03.2016)
Notice Period	Three months
Stock Option	None

B. Non-Executive Directors

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

V. Corporate Social Responsibility Committee (CSR)

i) Terms of reference :

The Committee shall formulate and recommend to the Board, a CSR Policy and inform the amount of expenditure to be incurred on CSR activities. The Committee also monitors the implementation of CSR projects or activities undertaken by the Company.

ii) Composition :

The CSR Committee of the Company consists of three non-executive directors and one executive director.

1.	Dr Niren Suchanti	Chairman (Non executive Director)
2.	Mr Navin Suchanti	Member (Executive Director)
3.	Mr Kunal Bose	Member (Non-executive Independent Director)
4.	Mr Aseem Kohli	Member (Non-executive Director)

Meeting and attendance during the year

During the financial year 2014-2015, one meeting of the committee was held on 12th February, 2015.

Members	Meetings held	Meetings attended
Dr Niren Suchanti	1	1
Mr Navin Suchanti	1	1
Mr Kunal Bose	1	1
Mr Aseem Kohli	1	1

VI. Independent Directors' Meeting

During the year under review a meeting was held, inter-alia, to discuss:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties;

Meeting and attendance during the year

During the financial year 2014-2015, one meeting of the committee was held on 12th February, 2015.

Members	Meetings held	Meetings attended
Mr Kunal Bose	1	1
Mr Hardeep Sachdeva	1	1

VII. Stakeholders Relationship Committee

Terms of Reference

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

The total number of complaints received and redressed to the shareholders during the year ended March 31, 2015 as under:

Pending as on 31.03.2014	Received	Redressed	Pending as on 31.03.2015
Nil	01	01	Nil

Composition

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

Meeting and attendance during the year

During the financial year 2014-2015, one meeting of the committee was held on 12th February, 2015.

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

Name & Designation of CFO & Compliance Officer

Mr B L Soni – CFO & Compliance Officer

VI. Shareholders' Meeting

Details of last three Annual General Meeting / EGM:

Year	Date	Venue	Time
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
2013-14	15.10.2013	Pressman House 10A Lee Road Kolkata 700020	11.00 am
2013-14	06.09.2014	Gyan Manch 11 Pretoria Street Kolkata 700 071	10:30 am

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

Date	AGM/EGM	Particulars
24.08.2012	AGM	Nil
14.09.2013	AGM	Nil
15.10.2013	EGM through Postal Ballot	Buy Back of Equity Shares
06.09.2014	AGM	Nil

IX. Disclosures

- There were no material and significant related party transactions, with its promoters, the directors or the management or relatives, etc. that may have potential conflict with the interests of the Company at large. Transactions with the related parties have been disclosed in Note No. 27 to the Accounts in the Annual Report.
- No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years. There were no instances of non-compliance by the Company.
- The Company has an established whistle blower policy.
- The Company has complied with the mandatory requirement of clause 49 of the Listing Agreement.

Subsidiary Company

The Company has no subsidiary.

Non-mandatory Requirements

Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is reviewed by the Board from time to time.

X. 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 information website www.sinclairindia.com.

XI. General Shareholder Information

a. Annual General Meeting :

Date	Day	Venue	Time
31.07.2015	Friday	Gyan Manch, 11 Pretoria Street Kolkata 700 071	10:30 am

b. Tentative Financial Calendar

Results for quarter ending June 30,2015 Within 14th August , 2015
Results for quarter ending September 30,2015 Within 14th November, 2015
Results for quarter ending December 31, 2015 Within 14th February, 2016
Results for quarter ending March 31,2016 Within 30th May, 2016
AGM for the year ending March 31, 2016 By end of September, 2016

c. Book Closure :

From Saturday, 25th July, 2015 to Friday,31st July, 2015 (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 2014-2015 amounting to ₹268.16 lacs inclusive of dividend distribution tax of ₹45.36 lacs. Dividend warrants in respect of dividend for the financial year 2014-2015, if declared by the Company at the Annual General Meeting, will be dispatched by 29th August,2015 to those shareholders whose names will appear on the register of shareholders of the Company as at the close of business on 24th July,2015.

e. Market price data :

Monthly high / low – (₹/share) during 2014-2015)

Market data at BSE Ltd

Month	BSE Sensex		Share Prices at BSE	
	High	Low	High	Low
April, 2014	22939.31	22197.51	265.45	226.05
May, 2014	25375.63	22277.04	323.80	213.60
June, 2014	25725.12	24270.20	393.00	240.05
July, 2014	26300.17	24892.00	336.00	224.00
August, 2014	26674.38	25232.82	264.95	210.00
September, 2014	27354.99	26220.49	285.00	230.80
October, 2014	27894.32	25910.77	256.90	221.05
November, 2014	28822.37	27739.56	243.90	220.50
December, 2014	28809.64	26469.42	243.95	180.00
January, 2015	29844.16	26776.12	238.90	216.05
February, 2015	29560.32	28044.49	264.00	218.00
March, 2015	30024.74	27248.45	289.90	221.90

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 constituted by the Board 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	2676	97.91	114408	2.05
501-1000	25	0.92	19216	0.34
1001-5000	17	0.62	26834	0.49
5001-10000	6	0.22	46175	0.83
10001-50000	2	0.07	58000	1.04
50001-100000	0	0.00	0	0.00
100001 & above	7	0.26	5305367	95.25
Total	2733	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	35205	0.63
Private Corporate Bodies	23923	0.43
Public (Indian)	194542	3.49
Foreign Companies	2395505	43.01
NRIs / OCBs	4907	0.09
Clearing Member	5998	0.11
Total	5570000	100.00

i. Dematerialisation of shares and Liquidity :

Out of total paid up capital of 5,570,000 equity shares as on 31st March, 2015, 5,404,431 equity shares (97.03%) and 98,911 equity shares (1.77%) 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. Details of hotels and resorts :
Sinclairs Siliguri

(45 Rooms, 3 Suites)
 PO Pradhan Nagar, Siliguri 734 403

Sinclairs Darjeeling

(47 Rooms, 1 Suite)
 18/1, Gandhi Road, Darjeeling 734 101

Sinclairs Retreat Dooars

(68 Rooms, 3 Suites)
 Chalsa Hilltop, Chalsa 735 206, Dist Jalpaiguri

Sinclairs Retreat Ooty

(72 Rooms, 7 Suites and 2 Villas)
 Gorishola Road, Ootacamund 643 001

Sinclairs Bayview Port Blair

(43 Rooms, 3 Suites)
 South Point, Port Blair 744 106
 Andaman & Nicobar Islands

Sinclairs Retreat Kalimpong

(46 Rooms, 2 Suites)
 Kalimpong Khash Mahal, 6th Mile
 Kalimpong 734 301, Dist. Darjeeling

Projects under implementation:
Sinclairs Tourist Resort Burdwan

(19 Rooms, 1 Suite)
 Plot No High Street -I, Burdwan Sadar
 Belkash Gram Panchyat, Burdwan 713 102

Sinclairs Kolkata

(114 Rooms)
 Plot DJ 14, Action Area ID
 New Town, Rajarhat, Kolkata 700156

I. Address for Correspondence :

CFO & Compliance Officer
 Sinclairs Hotels Limited
 Pressman House, 10A Lee Road, Kolkata 700 020
 Phone : (033) 40310804/807, Email : ir@sinclairshotels.com

Auditors 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 31st March, 2015 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.

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 26, 2015

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, 2015.

Kolkata
 May 20, 2015

Navin Suchanti
 Managing Director

Independent Auditors 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, 2015, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation

of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, of its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and 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 it 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 aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies

(Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place: Kolkata
Date: May 26, 2015

Per Bhaswar Sarkar
Partner
Membership No.: 55596

Annexure to the Independent Auditors Report

(REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF SINCLAIRS HOTELS LIMITED AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2015)

(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.

(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 not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the

course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) The Company has not accepted any deposit from the public.

(vi) 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 3(vi) of the Order are not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, value added tax, cess and other material statutory dues applicable to it. 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, employees' state insurance, income-tax, service tax, sales-tax, customs duty, value added tax, 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 records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

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.	75,183	1994-95, 2005-06 and 2010-11	Senior Joint Commissioner of Commercial Tax
		1,648,589	2006-07 and 2007-08	West Bengal Commercial Tax Appellate and Revisional Board

(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

(viii) The Company has no accumulated losses at the end of the financial year. The Company has not incurred cash loss in the current year and in the immediately preceding financial year.

(ix) 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.

(x) According to the information and explanations provided to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.

(x) The Company did not have any term loans outstanding during the year.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

Per Bhaswar Sarkar
Place: Kolkata
Date: May 26, 2015

Partner
Membership No.: 55596

Balance Sheet as at 31st March, 2015

Notes	As at 31st March 2015 ₹	As at 31st March 2014 ₹
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	3	55,700,000
Reserves and Surplus	4	653,580,683
		709,280,683
Non Current Liabilities		
Deferred Tax Liability	5	47,406,015
Other Long Term Liabilities	6	9,445,198
		56,851,213
Current Liabilities		
Trade Payables	6	10,983,918
Other Current Liabilities	6	39,792,244
Short Term Provisions	7	27,828,593
		78,604,755
TOTAL		844,736,651
ASSETS		
Non-Current Assets		
Fixed Assets		
	8	
Tangible Assets		573,227,465
Capital Work-in-Progress		174,473,590
Long Term Loans and Advances	9	36,374,788
Other Non Current Assets	11	7,702,647
		791,778,490
Current Assets		
Current Investments	12	29,923,680
Inventories	13	3,235,228
Trade Receivables	10	8,436,983
Cash and Bank Balances	14	7,589,802
Short Term Loans and Advances	9	3,396,660
Other Current Assets	11	375,808
		52,958,161
TOTAL		844,736,651

Summary of significant accounting policies
2.1
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 26, 2015

For and on behalf of the Board of Directors

Dr Niren Suchanti
Chairman

Navin Suchanti
Managing Director

Kunal Bose
Director

B L Soni
Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2015

	Notes	Year ended 31st March 2015 ₹	Year ended 31st March 2014 ₹
Income			
Revenue from Operations	15	292,635,319	225,344,051
Other Income	16	8,861,641	16,842,458
		301,496,960	242,186,509
Expenses:			
Food, Beverage and Stores Consumed	17	34,019,429	27,780,537
Employee Benefits Expense	18	53,843,269	42,146,805
Other Expenses	19	98,581,752	93,915,353
Depreciation and Amortization	20	44,768,101	27,474,762
		231,212,551	191,317,457
Profit Before Tax and Exceptional Item		70,284,409	50,869,052
Exceptional Items	32	-	42,393,551
Profit Before Tax		70,284,409	93,262,603
Tax Expense:			
Current Tax		14,062,329	27,226,931
Less: MAT Credit Entitlement		14,062,329	-
Net Current Tax Expense		-	27,226,931
Deferred Tax Charge/(Credit)		22,894,035	(3,645,567)
		22,894,035	23,581,364
Profit After Tax		47,390,374	69,681,239
Earnings Per Share [Nominal Value per share ₹10 (Previous year ₹10)]			
Basic and Diluted	21	8.51	11.72

Summary of significant accounting policies

2.1

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 26, 2015

For and on behalf of the Board of Directors

Dr Niren Suchanti
Chairman

Kunal Bose
Director

Navin Suchanti
Managing Director

B L Soni
Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2015

	2014-15 ₹	2013-14 ₹
A. Cash Flow from Operating Activities		
Net Profit before Taxes	70,284,409	93,262,603
Adjustments For :		
Depreciation / Amortization	44,768,101	27,474,762
Exceptional Items	-	(42,393,551)
Profit on Redemption of Investments	(3,560,149)	(11,838,110)
Interest Income	(4,913,168)	(3,256,746)
Loss on Sale/Discard of Fixed Assets	2,026,295	4,485,730
Sundry Balances w/off	150,456	-
Liabilities no longer required written back	(136,324)	(562,668)
Operating profit before working capital changes	108,619,620	67,172,020
Movements in working capital :		
Decrease/ (Increase) in Trade Receivables	(2,167,109)	4,028,165
Decrease/ (Increase) in Inventories	(353,368)	(242,120)
Decrease/ (Increase) in Long Term Loans and Advances	898,510	(207,823)
Decrease/ (Increase) in Short Term Loans and Advances	127,323	(467,767)
Increase / (Decrease) in Trade Payables	2,869,617	(638,411)
Increase / (Decrease) in Short-Term Provisions	695,025	26,364,718
Increase / (Decrease) in Other Non Current Liabilities	(119,608)	1,144,943
Increase / (Decrease) in Other Current Liabilities	8,327,142	6,761,196
Cash Generated From Operation	118,897,152	103,914,921
Direct taxes paid (net)	(16,326,358)	(24,583,918)
Net Cash Flow from Operating Activities	102,570,794	79,331,003
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(112,638,685)	(112,221,441)
Proceeds from Sale of Fixed Assets	44,762	15,504,229
Proceeds from Sale of Equity Shares in Associate Company *	-	214,604,361
Loan given to Associate Company*	-	(7,600,000)
Loan refunded by Associate Company*	-	58,307,931
Purchase of Current Investments	(98,707,934)	(456,080,000)
Proceeds from Sale/ Maturity of Current Investment	127,607,934	417,154,579
Purchase of Bank Deposits (having original maturity of more than three months)	(825,823)	(1,970,654)
Maturity of Bank Deposits (having original maturity of more than three months)	325,823	-
Interest Income	4,125,079	3,042,582
Net Cash from Investing Activities	(80,068,844)	130,741,587
C. Cash Flow from Financing Activities		
Payment on Buyback of Equity Shares	-	(193,136,580)
Dividends Paid	(22,280,000)	(22,780,512)
Tax on Dividend Paid	(4,535,669)	(3,786,486)
Net Cash used in Financing Activities	(26,815,669)	(219,703,578)
Net Increase in Cash and Cash Equivalents (A+B+C)	(4,313,719)	(9,630,988)
Cash and cash equivalents at the beginning of the year	9,540,688	19,171,676
Cash and cash equivalents at the end of the year	5,226,969	9,540,688
Components of cash and cash equivalents		
Balance with banks		
On current accounts	3,554,421	7,189,637
On unpaid dividend account **	1,340,643	1,188,674
Cash in hand	331,905	1,162,377
Cash and Bank Balances as per note 14	5,226,969	9,540,688

* Savannah Hotels Private Limited 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.Batliboi & Co. LLP
Firm Registration Number 301003E
Chartered Accountants

For and on behalf of the Board of Directors

per Bhaswar Sarkar
Partner
Membership No.55596
Kolkata, May 26, 2015

Dr Niren Suchanti
Chairman

Navin Suchanti
Managing Director

Kunal Bose
Director

B L Soni
Chief Financial Officer

Notes to financial statements for the year ended 31st March 2015

1. CORPORATE INFORMATION

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

2. 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 section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. 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 the change in accounting policy explained below.

2.1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Change in Accounting Policy

(i) Depreciation on Fixed Assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956 prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. Effective 1st April, 2014, the Company has provided depreciation on fixed assets based on useful lives as provided in Schedule II of the Companies Act, 2013 or as re-assessed by the Company. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual value of fixed assets, though these rates in certain cases are different from the rates based on the useful lives prescribed under Schedule II.

Further, on application of Schedule II to the Companies Act, 2013, the Company has changed the manner of providing depreciation for its fixed assets. Now, the Company identifies and determines separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset.

Based on transitional provision given in Schedule II to the Companies, 2013, the carrying value of assets whose useful lives are already exhausted amounting to ₹ 556,375 (net of deferred tax of ₹ 286,489) has been charged to opening balance of retained earnings. Had there been no change in useful lives of fixed assets, the charge to the Statement of Profit & Loss would have been lower by ₹ 2,055,337.

(ii) Accounting for additional depreciation on account of revaluation of assets

The company had revalued certain land, buildings and plant

& machinery existing as on March 31, 1981, March 31, 1986, March 31, 1993 and March 31, 1994. Till year ended 31 March 2014, the Guidance Note on Treatment of Reserve Created on Revaluation of Fixed Assets issued by the ICAI allowed companies to transfer an amount equivalent to the additional depreciation arising due to upward revaluation of fixed assets from revaluation reserve to the statement of profit and loss. Accordingly, the company was transferring an amount equivalent to additional depreciation arising due to upward revaluation of building and plant & machinery from revaluation reserve to the statement of profit and loss. In contrast, Schedule II to the Companies Act, 2013 applicable from the current year, states that depreciable amount of an asset is the cost of an asset or other amount substituted for cost. Hence, in case of revalued assets, depreciation computed on the revalued amount needs to be charged to the statement of profit and loss, without any recoupment from revaluation reserve. Consequently, to comply with the Schedule II requirement, the company has discontinued the practice of recouping the impact of additional depreciation from revaluation reserve. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014. Had the Company continued its earlier policy of recouping the additional depreciation arising due to upward revaluation of fixed assets from revaluation assets, profit for the current year would have been higher by ₹393,765. However, the change in accounting policy did not have any impact on reserves and surplus as at 31 March 2015.

(iii) Depreciation on assets costing less than ₹ 5,000

Till year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing less than ₹ 5,000 in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciations of assets costing less than ₹ 5,000. As per the revised policy, the Company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014. The change in accounting for depreciation of assets costing less than ₹ 5,000 did not have any material impact on financial statements of the Company for the current year.

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure

of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible Fixed Assets

Fixed Assets are stated at cost (or revalued amounts, as the case may be) net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price inclusive of duties (net of cenvat/ VAT), taxes, incidental expenses, erection / commissioning expenses etc. and other directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on an existing fixed asset, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(c) Depreciation / Amortization

i. Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its fixed assets.

Particulars	Useful Life estimated by the management (years)
Buildings	5 to 60
Furniture and Fixtures	5
Electrical Installations	5
Plant and Machinery	5
Computers (included in office equipment)	3 to 6
Office Equipment	5
Vehicles	6 to 10

ii. Depreciation on fixed assets added / disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.

iii. Unamortized balance of goodwill as at 1st April 2008 is written off equally over a period of five years.

iv. Leasehold land is amortized on straight line basis over the lease period of 99 years.

v. The management has estimated, supported by independent assessment by professionals, the useful lives of Furniture and fixtures, Electrical installations, plant and machinery, building improvements and office equipment as 5 years. These lives are lower than those indicated in schedule II.

(d) Impairment

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased.

(e) Leases

Operating Lease :

Where the Company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item 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.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

(f) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and

loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

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

(g) 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. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements 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. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(h) 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.

(i) 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.

(j) 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.

(k) 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 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.

(l) Income taxes

Tax expense comprises 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 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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 income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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.

(m) Segment Reporting Policy

The company's operating businesses are organized and managed separately according to the nature of products and

services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate. As 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 analysis of geographical segment is not applicable to the Company.

(n) 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss 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.

(o) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(p) 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.

(q) 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 2015

	As at 31st March 2015 ₹	As at 31st March 2014 ₹
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 5,570,000) equity shares of ₹10/- each fully paid-up	55,700,000	55,700,000

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

Equity Shares	31st March 2015		31st March 2014	
	No.	Amount in ₹	No.	Amount in ₹
At the beginning of the year	5,570,000	55,700,000	6,065,222	60,652,220
Less: buyback	-	-	495,222	4,952,220
Outstanding at the end of the year	5,570,000	55,700,000	5,570,000	55,700,000

(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 2015, the dividend amount per share of ₹10 recognized as distribution to equity shareholders was ₹4 (previous year ₹4).

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 2015		As at 31st March 2014	
	No of Equity Shares	% holding	No of Equity Shares	% holding
Equity shares of ₹10 each fully paid up				
Xander Investment Holding X Ltd	1,628,485	29.24%	1,695,443	30.44%
Pramina Suchanti	1,163,142	20.88%	1,163,142	20.88%
Sujata Suchanti	1,139,931	20.47%	1,139,931	20.47%
MCCS Investment Holding Ltd.	588,000	10.56%	588,000	10.56%
Dr. Niren Suchanti	313,051	5.62%	313,051	5.62%
Navin Suchanti	293,738	5.27%	293,738	5.27%

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 2015

	As at 31st March 2015 ₹	As at 31st March 2014 ₹
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	17,232,220	12,280,000
Add: Created on buyback of equity shares	-	4,952,220
Closing Balance	17,232,220	17,232,220
Capital Investment Subsidy		
Balance as per last financial statements	8,136,724	8,136,724
Securities Premium Account		
Balance as per last financial statements	321,221,225	509,405,585
Less: utilised for buyback of equity shares	-	188,184,360
Closing Balance	321,221,225	321,221,225
Revaluation Reserve		
Balance as per last financial statements	34,785,705	35,179,470
Less: amount transferred to the statement of profit and loss as reduction from depreciation (refer note 20)	-	393,765
Closing Balance	34,785,705	34,785,705
General Reserve		
Balance as per last financial statements	177,993,629	167,993,629
Add: amount transferred from surplus balance in the statement of profit and loss	10,000,000	10,000,000
Less : Adjustment on account of Schedule II of Companies Act, 2013 (net of deferred tax) (refer note 2.1)	556,375	-
Closing Balance	187,437,254	177,993,629
Surplus in the statement of profit and loss		
Balance as per last financial statements	66,913,083	38,250,550
Add: Profit for the year	47,390,374	69,681,239
	114,303,457	107,931,789
Appropriations:		
Dividend [amount per share ₹4 (previous year ₹4)]	22,280,000	22,280,000
Tax on Dividend	4,535,669	26,815,669
Transfer to General Reserve	10,000,000	3,786,486
Transfer to Capital Redemption Reserve on buyback of equity shares	-	10,000,000
	-	4,952,220
Net surplus in the statement of profit and loss	77,487,788	66,913,083
	653,580,683	633,562,353

Notes to financial statements for the year ended 31st March 2015

	As at 31st March 2015 ₹	As at 31st March 2014 ₹
5 DEFERRED TAX LIABILITY (net)		
Deferred tax liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting.	89,127,709	24,798,470
Gross Deferred tax liability	89,127,709	24,798,470
Deferred tax Asset		
Unabsorbed depreciation and carry forward losses.	39,692,081	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	2,029,613	-
Gross Deferred tax asset	41,721,694	-
Net deferred tax liability	47,406,015	24,798,470
6 OTHER LIABILITIES		
	Non-Current	Current
	31st March 2015	31st March 2014
	31st March 2015	31st March 2014
Trade Payables		
For goods (refer note 23 for details of dues to micro and small enterprises)	8,771,305	5,141,804
For other expenses	2,212,613	3,108,821
	10,983,918	8,250,625
Other Liabilities		
Advances from Customers	10,051,258	5,820,602
Unclaimed dividend (Amount will be credited to Investor Education and Protection Fund when due)	1,340,643	1,188,674
Other payables		
Advance membership fees received	9,445,198	9,564,806
Deposits received from others	710,000	-
Creditors for fixed assets	422,000	422,000
Statutory Dues	13,176,731	17,719,558
Other payable (for employees etc)	8,057,352	6,567,093
	6,034,260	4,290,002
	9,445,198	9,564,806
	39,792,244	36,007,929
7 SHORT-TERM PROVISIONS		
Provision for Gratuity	1,012,924	1,067,082
Proposed Dividend on Equity Shares	22,280,000	22,280,000
Tax on Dividend	4,535,669	3,786,486
	27,828,593	27,133,568

Notes to financial statements for the year ended 31st March 2015

8 FIXED ASSETS AND CAPITAL WORK IN PROGRESS

	Tangible Asset							Total	
	Freehold Land	Leasehold Land	Building	Plant and equipment	Furniture and fixture	Electrical installation	Vehicles		Office equipment
Cost or Revalued									
At 1 April 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
Additions	116,813	-	13,884,587	5,262,562	12,590,229	3,862,888	1,698,949	587,692	38,003,720
Disposals	-	-	7,468,536	2,623,136	1,121,157	1,657,400	843,000	116,501	13,829,730
At 31 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
Additions	11,921,085	-	166,540,250	15,248,398	49,037,077	13,143,975	90,815	2,669,902	258,651,502
Disposals	-	-	-	6,165,562	759,461	344,737	265,814	-	7,535,574
At 31st March 2015	109,251,936	2,765,576	424,312,361	80,890,649	143,318,620	38,552,192	7,347,405	6,796,933	813,235,672
Depreciation/ Amortisation									
At 1 April 2013	-	503,139	65,315,210	47,004,776	47,625,177	14,535,862	3,083,195	2,400,894	180,468,253
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 31 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
Charge for the year	-	27,935	14,079,049	8,330,442	15,638,418	4,318,522	1,320,443	1,053,292	44,768,101
Disposals	-	-	-	4,107,445	759,461	341,766	255,845	-	5,464,517
Transferred to general Reserve	-	-	374,545	2,958	3,102	7,332	223,981	230,946	842,864
At 31st March 2015	-	559,009	81,671,229	57,181,549	72,653,826	19,598,226	4,459,969	3,884,399	240,008,207
Net Block									
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
31st March 2015	109,251,936	2,206,567	342,641,132	23,709,100	70,664,794	18,953,966	2,887,436	2,912,534	573,227,465

a) Revaluation: The Company has revalued land and building situated at Siiguri 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 ₹72,138,909 (previous year ₹71,673,953), Depreciation charge for the year ₹1,302,912 ((previous year ₹1,168,285), Accumulated depreciation ₹17,041,574 (previous year ₹15,364,117), Net book value ₹55,097,334 (previous year ₹56,309,835).

Notes to financial statements for the year ended 31st March 2015

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

	As at 31st March 2015 ₹	As at 31st March 2014 ₹
Opening balance brought forward from previous year	17,212,255	8,826,160
Additions		
Salaries, Wages and Bonus	2,522,267	2,772,155
Power and Fuel	1,118,172	1,338,881
Rent	258,675	303,300
Rates and Taxes	340,162	82,364
Insurance	660,602	612,884
Legal and Professional	365,900	250,000
Travelling and Conveyance	647,920	594,652
Security charges	1,866,397	1,832,277
Miscellaneous Expenses	1,956,790	599,582
	26,949,140	17,212,255
Less : Transferred to fixed assets	14,749,596	-
Total	12,199,544	17,212,255

	Non-current		Current	
	As at 31st March 2015 ₹	As at 31st March 2014 ₹	As at 31st March 2015 ₹	As at 31st March 2014 ₹
9 LOANS AND ADVANCES (Unsecured, considered good)				
Capital Advances	8,511,230	15,586,952	-	-
Security Deposits	730,474	1,464,826	-	40,000
Advances recoverable in cash or kind	1,460,765	1,580,065	817,578	1,113,041
Other Loans and Advances				
Advance to employees	-	-	45,850	309,182
Advance income tax (net of provision for taxation ₹112,274,390 (previous year ₹98,212,061))	9,155,664	6,891,636	-	-
MAT Credit Entitlement	16,494,206	2,431,877	-	-
Prepaid expenses	22,449	67,307	2,347,315	1,944,308
Balance with service tax and VAT authorities	-	-	185,917	117,452
	36,374,788	28,022,663	3,396,660	3,523,983

10 TRADE RECEIVABLES (Unsecured, considered good)

Outstanding for a period exceeding six months from the date they are due for payment	979,679	867,852
Other receivables	7,457,304	5,552,478
	8,436,983	6,420,330

Notes to financial statements for the year ended 31st March 2015

	Non-Current		Current	
	As at 31st March 2015 ₹	As at 31st March 2014 ₹	As at 31st March 2015 ₹	As at 31st March 2014 ₹
11 OTHER ASSETS (Unsecured, considered good)				
Margin money deposit with bank (note14)	6,007,077	7,844,136	-	-
Interest accrued, but not due on deposits with bank	1,695,570	1,309,063	375,808	-
	7,702,647	9,153,199	375,808	-
12 CURRENT INVESTMENTS				
Mutual funds (unquoted) (Valued at lower of cost or fair value)				
946,906.493 (previous year 411,674.593) units of HDFC Liquid Funds - DP- Growth (Face value ₹10 each)			25,587,324	10,263,531
1,826.813 (previous year 20,535.227) units of SBI Magnum Insta Cash Fund Liquid Floater - DP- Growth (Face value ₹10 each)			4,336,356	45,000,000
			29,923,680	55,263,531
Aggregate amount of unquoted investments			29,923,680	55,263,531
13 INVENTORIES (valued at lower of cost and net realizable value)				
Food and Beverages			2,250,564	1,626,536
Linen, Curtains, Housekeeping Items etc.			984,664	1,255,324
			3,235,228	2,881,860
14 CASH AND BANK BALANCES				
Balance with banks				
On current accounts			3,554,421	7,189,637
On unpaid dividend account			1,340,643	1,188,674
Cash in hand			331,905	1,162,377
			5,226,969	9,540,688
Other Bank Balances				
Deposits with original maturity of more than 12 months*	6,007,077	7,844,136	2,362,833	-
	6,007,077	7,844,136	2,362,833	-
Amount as disclosed under non-current assets (note 11)	(6,007,077)	(7,844,136)		
Net	-	-	7,589,802	9,540,688

* Deposits aggregating ₹7,897,900 (previous year ₹ 7,372,126) pledged against Bank Guarantees and ₹472,010 (previous year ₹ 472,010) pledged with the Registrar, Calcutta High Court towards certain litigations.

Notes to financial statements for the year ended 31st March 2015

	Year Ended 31st March 2015 ₹	Year Ended 31st March 2014 ₹
15 REVENUE FROM OPERATIONS		
Sale of services		
Room	184,187,273	136,564,843
Food and Beverages	87,397,731	71,873,242
Other operating revenues		
Car Hire Income	9,447,643	5,942,388
Others	11,602,672	10,963,578
	292,635,319	225,344,051
16 OTHER INCOME		
Interest Income		
- Deposits with Banks	4,913,168	1,050,018
- Loan to related party (refer note no. 27)	-	2,177,035
- Others	-	29,693
Net gain on sale of current investments	3,560,149	11,838,110
Liabilities no longer required written back	136,324	562,668
Bad debts recovered	-	377,357
Other non-operating income	252,000	807,577
	8,861,641	16,842,458
17 FOOD AND BEVERAGE CONSUMED		
Inventory at the beginning of the year	1,626,536	1,373,128
Add: Purchases	34,643,457	28,033,945
	36,269,993	29,407,073
Less : Inventory at the end of the year	2,250,564	1,626,536
	34,019,429	27,780,537
Details of Consumption		
Food and Groceries	30,538,737	25,228,534
Beverages and Wines	3,480,692	2,552,003
	34,019,429	27,780,537
18 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus etc.	42,933,473	33,288,742
Contribution to Provident and Other Funds	3,658,321	3,083,405
Staff welfare expenses	7,251,475	5,774,658
	53,843,269	42,146,805

Notes to financial statements for the year ended 31st March 2015

	Year Ended 31st March 2015 ₹	Year Ended 31st March 2014 ₹
19 OTHER EXPENSES		
Linen, Curtains, Housekeeping Items etc.	14,382,895	12,194,307
Power and Fuel	24,020,295	21,761,185
Rent	2,302,093	2,045,362
Rates and Taxes	7,806,667	8,753,654
Insurance	919,626	762,011
Repairs and Maintenance :		
Plant and Machinery	1,648,125	1,425,285
Buildings	2,737,585	2,468,273
Others	4,222,955	2,873,209
Advertisement and Sales Promotion	5,549,019	8,383,550
Commission to Selling Agents	7,357,717	5,490,839
Travelling and Conveyance	2,359,712	3,196,718
Motor Car Expenses	2,412,122	2,235,772
Bank Charges	1,332,482	1,015,448
Car and Other Hire Charges	7,785,343	5,246,387
Communication Costs	971,547	983,726
Printing and Stationery	1,669,307	857,033
Legal and Professional Fees	2,467,417	3,011,820
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
Reimbursement of Service Tax and Out-of-Pocket Expenses	147,343	138,975
Loss on Sale / Discard of Fixed Assets	2,026,295	4,485,730
Miscellaneous Expenses	5,513,207	5,606,069
	98,581,752	93,915,353
20 DEPRECIATION AND AMORTIZATION		
Depreciation on Tangible Assets	44,768,101	27,868,527
Less: Transferred from Revaluation Reserve	-	393,765
	44,768,101	27,474,762

Notes to financial statements for the year ended 31st March 2015

21. Earnings per share (EPS)

Particulars		2014-15	2013-14
Net profit as per statement of profit and loss	₹	47,390,374	69,681,239
Weighted average number of equity shares in calculating basic EPS	Nos.	5,570,000	5,943,112
Nominal value of each share	₹	10	10
Basic and Diluted Earning per Share	₹	8.51	11.72

22. 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	2014-15	2013-14
Current service cost	648,504	449,922
Interest cost on benefit obligation	427,204	398,426
Expected return on plan assets	(343,061)	(386,885)
Net actuarial loss recognised in the year	276,723	605,619
Past service cost	-	-
Net benefit expense	1,009,370	1,067,082
Actual return on plan assets	383,207	386,885

Gratuity Expenses have been recognised in Contribution to Provident and Other Funds under Note 18.

Balance Sheet

Particulars	As at 31st March, 2015	As at 31st March, 2014
Defined benefit obligation	5,774,659	4,905,439
Fair value of plan assets	(4,761,735)	(3,838,357)
	1,012,924	1,067,082
Less: Unrecognised past service cost	-	-
Net Liability	1,012,924	1,067,082

Notes to financial statements for the year ended 31st March 2015

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

Particulars	₹	
	As at 31st March, 2015	As at 31st March, 2014
Opening defined benefit obligation	4,905,439	4,980,327
Interest cost	427,204	398,426
Current service cost	648,504	449,922
Benefits paid	(523,357)	(1,528,855)
Actuarial losses on obligation	316,869	605,619
Plan Amendments	-	-
Closing defined benefit obligation	5,774,659	4,905,439

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

Particulars	₹	
	As at 31st March, 2015	As at 31st March, 2014
Opening fair value of the plan assets	3,838,357	4,211,477
Expected return	343,061	386,885
Contributions by employer	1,063,528	768,850
Benefits paid	(523,357)	(1,528,855)
Actuarial gains / (losses)	40,146	-
Closing fair value of plan assets	4,761,735	3,838,357

The Company expects to contribute ₹1,012,924 to gratuity fund in the next year (previous year ₹ 1,067,082).

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, 2015	31st March, 2014
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	2014-15	2013-14
Discount rate	8.00%	8.00 %
Expected rate of return on assets	8.00%	8.75 %
Expected rate of future salary increase	5.00%	5.00 %
Mortality Table	IALM (2006-08) ultimate	LIC (1994-96) ultimate

Amount incurred as expense for defined contribution plans:

Particulars	₹	
	2014-15	2013-14
Contribution to Provident Fund	2,648,951	2,016,323

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 2015

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

Particulars	₹				
	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligation	5,774,659	4,905,439	4,980,327	4,451,246	3,656,882
Plan assets	4,761,735	3,838,357	4,211,477	3,675,371	2,997,932
Deficit / (Surplus)	1,012,924	1,067,082	768,850	775,875	658,950
Experience adjustments on plan liabilities	-	-	-	-	-
Experience adjustments on plan assets	40,146	-	-	-	-

23. 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.

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. The Company at present, operates in India only and therefore the analysis of geographical segment is not applicable to the Company

25. CAPITAL COMMITMENT:

Particulars	₹	
	As at 31st March, 2015	As at 31st March, 2014
Estimated amount of contracts remaining to be executed on capital contract and not provided for (Net of Advances)	5,431,428	27,206,375

26. CONTINGENT LIABILITIES NOT PROVIDED FOR

Particulars	₹	
	As at 31st March, 2015	As at 31st March, 2014
Sales Tax matters under dispute / appeal	2,44,369	410,428
EPCG (Duty amount on outstanding export obligations)	8,91,906	1,621,532

27. RELATED PARTY DISCLOSURES

(a) Names of related parties:

Key Management Personnel	Mr Navin Suchanti (Managing Director)
	Mr Vikash Kuthari (up to January 28, 2014)
Relatives of Key Management Personnel	Dr. Niren Suchanti (Brother of Managing Director)
	Ms. Pooja Suchanti Shah (Daughter of Managing Director)
Associate Company	Savannah Hotels Private Limited (up to July 25, 2013)
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 2015

(b) Related Party Transactions:

₹

Particulars	Key Management Personnel		Relatives of Key Management Personnel		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 Shah	Savannah Hotels Pvt. Ltd.	Pressman Properties Limited	Pressman Realty Limited	Son-et-Lumiere Art Gallery Pvt. Ltd.	Pressman Advertising Limited	
Directors' Remuneration	1,405,688	-								1,405,688
	(1,067,910)	(1,458,560)								(2,526,470)
Directors' Sitting Fees			20,000							20,000
			(20,000)							(20,000)
Salary, Wages Bonus and Contribution to Provident and Other Funds				731,280						731,280
				(756,720)						(756,720)
Electricity Charges						62,377				62,377
						(63,275)				(63,275)
Rent						1,174,050	536,463	180,000		1,890,513
						(1,011,240)	(303,372)	(180,000)		(1,494,612)
Advertising and Sales Promotion									4,721,941	4,721,941
									(6,912,231)	(6,912,231)
Interest Income						-				-
						(2,177,035)				(2,177,035)
Management Consultancy Income						-				-
						(440,317)				(440,317)
Loan to Associate Company						-				-
						(7,600,000)				(7,600,000)
Loan refund from Associate Company						-				-
						58,307,931				58,307,931
Balance Payment at year end	905,688								-	905,688
- Trade payables	(567,910)								(42,638)	(610,548)

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

28. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

₹

Particulars	2014-15	2013-14
Commission	1,034,545	636,330
Sales and Promotion	-	330,564
Total	1,034,545	966,894

Notes to financial statements for the year ended 31st March 2015

29. INDIGENOUS FOOD, BEVERAGE AND STORES CONSUMED ₹

Particulars	Percentage of total consumption			
	2014-15	2013-14	2014-15	2013-14
Indigenous	100.00	100.00	34,019,429	27,780,537
Imported	-	-	-	-

30. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS) ₹

Particulars	2014-15	2013-14
Income from services	6,055,912	5,373,839

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

31. NET AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND : ₹

Period to which it relates	1-4-2014 to 31-3-2015	1-4-2013 to 31-3-2014
No. of non-resident shareholders	37	-
No. of Equity Shares held on which dividend was due	2,401,098	-
Amount remitted (USD)**	154,225	-
Amount remitted (₹)**	96,043,920	-

** Excluding amount aggregating to ₹ 22,372 (₹NIL) remitted to Non-resident shareholders in Indian Currency.

32. EXCEPTIONAL ITEMS PROFIT ₹

Particulars	2014-15	2013-14
Surplus on sale of immovable property	-	14,635,250
Sale of equity shares and debentures of associate company Savannah Hotels Private Limited	-	27,758,301
	-	42,393,551

33. PREVIOUS YEAR FIGURES

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

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

per Bhaswar Sarkar
Partner
Membership No.55596
Kolkata, May 26, 2015

For and on behalf of the Board of Directors

Dr Niren Suchanti
Chairman

Kunal Bose
Director

Navin Suchanti
Managing Director

B L Soni
Chief Financial Officer

Sinclairs Hotels Ltd.

CIN: L55101WB1971PLC028152

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