

# Sinclairs Hotels Limited

Annual Report 2008-2009





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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### COMPANY SECRETARY & COMPLIANCE OFFICER

T K Banerjee

### CHIEF ACCOUNTANT

B L Soni

### AUDITORS

S R Batliboi & Co  
Chartered Accountants

### REGISTERED OFFICE

56A, Mirza Ghalib Street  
Kolkata 700 016

### CORPORATE OFFICE

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

### HOTELS & RESORT

Hotel Sinclairs Siliguri  
Hotel Sinclairs Darjeeling  
Hotel Sinclairs Bay View Port Blair  
Hotel Sinclairs Ooty  
Sinclairs Retreat Dooars Chalsa

### REGISTRAR & TRANSFER AGENT

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

### INVESTOR INFORMATION WEBSITE

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



## NOTICE

Notice is hereby given that the Thirty-seventh Annual General Meeting of the company will be held at Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017 on 19th day of September, 2009 at 10.30 a.m. to transact the following business:

### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended March 31, 2009 and the Balance Sheet as on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a director in place of Mr Siddhartha Yog, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr Vikash Kuthari, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors for the period commencing from the conclusion of this annual general meeting till the conclusion of the next annual general meeting and to authorise the Board to fix their remuneration.

### AS SPECIAL BUSINESS

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

#### 5. Reappointment of Mr Vikash Kuthari as Wholetime Director

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 consent of the company be and is hereby accorded to the appointment of Mr Vikash Kuthari as Wholetime Director of the company for a period of five years with effect from 19<sup>th</sup> June, 2009 and the remuneration being paid and payable to Mr Vikash Kuthari as set out in the explanatory statement annexed to this notice with liberty to the Board of Directors (hereinafter referred to as 'Board') to alter, vary or modify the terms and conditions of the said appointment and/or remuneration subject to the same not exceeding the limit specified in Schedule XIII to the Companies Act, 1956."

Regd. Office: For and on behalf of the Board  
56A Mirza Ghalib Street  
Kolkata 700 016

Dated: 26<sup>th</sup> June, 2009

T K Banerjee  
Company Secretary

### NOTES:

1. A member entitled to attend and vote may appoint a proxy to attend and on poll to vote in his stead. A proxy need not be a member of the company. Proxies to be effective, should be deposited at the registered office not later than 48 hours before the commencement of the meeting.
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
3. The Register of Members and the Share Transfer Register will remain closed from Friday, 11th September, 2009 to Saturday, 19th September, 2009 (both days inclusive).

4. Members holding their shares in physical form are requested to convert their shares into dematerialised form. The ISIN No. of the company is INE985A01014.
5. Members are requested to inform of any change in their address immediately, mentioning their folio number.
6. Members desirous of obtaining any information/clarification(s) concerning the accounts and operations or intending to raise any query are requested to forward the same at least 10 days before the date of meeting at the registered office, so that the same may be attended to appropriately.
7. A copy of Balance Sheet, Profit & Loss Account, Auditor's Report and every other documents required by law to be annexed or attached to the Annual Report shall be available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of Annual General Meeting and is also available on the website of the Company ([www.sinclairsindia.com](http://www.sinclairsindia.com))
8. Brief resume of the directors to be re-appointed are disclosed in corporate governance report.

### Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

#### Reappointment of Mr Vikash Kuthari as Wholetime Director

The Board of Directors of your company at its meeting held on 26<sup>th</sup> June, 2009 subject to the approval of members appointed Mr Vikash Kuthari as Wholetime Director for a further period of five years w.e.f. 19<sup>th</sup> June, 2009 and the remuneration paid or payable to Mr Vikash Kuthari in the following payscale :

Basic salary of Rs. 40,000/- (Rupees forty thousand) per month with such increment(s) as the Board may decide from time to time, subject, however, to a ceiling of Rs. 75,000/- (Rupees seventy five thousand) per month as Basic salary.

Allowance upto 50% of basic salary per month

Other perquisites and amenities as per rules of the Company within the limit specified in Schedule XIII of the Companies Act, 1956 as may be amended from time to time.

In the opinion of the Board of Directors of your Company, the remuneration payable to Mr Vikash Kuthari is commensurate with his qualification and experience.

Copy of the letter dated 1st July, 2009 issued to Mr Vikash Kuthari will be available for inspection of members at the registered office of the Company on any working day of the Company and also at the place of AGM.

None of the Directors except Mr Vikash Kuthari are interested or concerned in this resolution.

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

The Board recommends this resolution for your approval.

Regd. Office: For and on behalf of the Board  
56A Mirza Ghalib Street  
Kolkata 700 016

Dated: 26<sup>th</sup> June, 2009

T K Banerjee  
Company Secretary

## DIRECTORS' REPORT

### TO THE MEMBERS OF SINCLAIRS HOTELS LIMITED

Your Directors have pleasure in presenting the Thirty-seventh Annual Report of the company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2009.

### FINANCIAL HIGHLIGHTS

(Rs. in lacs)

|     | Particulars                        | Yearended<br>31.03.2009 | Yearended<br>31.03.2008 |
|-----|------------------------------------|-------------------------|-------------------------|
| 1.  | Gross Income                       | 1605.51                 | 1192.21                 |
| 2.  | Profit before depreciation and tax | 589.01                  | 511.62                  |
| 3.  | Depreciation                       | 132.22                  | 96.34                   |
| 4.  | Profit before tax                  | 456.79                  | 415.28                  |
| 5.  | Provision for taxation             | 118.98                  | 143.15                  |
| 6.  | Profit after tax                   | 337.81                  | 272.13                  |
| 7.  | Profit brought forward             | 9.18                    | 87.05                   |
| 8.  | Profit available for appropriation | 346.99                  | 359.18                  |
| 9.  | Transfer to General Reserve        | 250.00                  | 350.00                  |
| 10. | Balance carried to Balance Sheet   | 96.99                   | 9.18                    |
|     |                                    | 346.99                  | 359.18                  |

### OPERATIONS AND PERFORMANCE

The year under review started well but the final quarter sales took a hit on account of the economic downturn impacting business and pleasure travel. Even then, the gross income registered a rise of around 35%. Your company has continuously invested in all its five properties. This has resulted a marked improvement in the facilities as well as quality of service.

In view of the recessionary trends in the tourism industry, your company has adopted an aggressive marketing strategy. This should help in sustaining growth in sales.

The real estate development in Siliguri shall be taken up at an appropriate time when the market becomes conducive.

### FUTURE PLANS

The company has acquired 4.6 acres of land in Kalimpong, which is an important tourist destination. It is in the process of setting up a luxury resort there. Preliminary work on the project has begun and work on the ground is likely to start in October 2009. In addition, the company is negotiating for a couple of more properties in Eastern India.

### EQUITY CAPITAL

During the period under review, the company has allotted 11,28,637 equity shares of Rs.10 each at a premium of Rs.162.50 per share consequent upon exercise of options of equivalent number of warrants by the warrant holders. In the current year on 8<sup>th</sup> April, 2009, the company has further allotted 14,06,629 equity shares of Rs.10 each at a premium of Rs.162.50 per share upon exercise of option for the balance 14,06,629 warrants of Rs.172.50 each by the warrant holders and pending utilisation, the money is invested in short term Mutual funds.

### DIVIDEND

In view of the growth plans of the company and the need to conserve resources, the Board does not recommend any dividend.

### DIRECTORS

Mr Randhir Narayan resigned from the Board on 19<sup>th</sup> January, 2009. The Board wish to place on record its appreciation of the services rendered by Mr Randhir Narayan during the tenure.

Mr Siddhartha Yog and Mr Vikash Kuthari retire by rotation and being eligible offers himself for re-appointment.

The tenure of appointment of Mr Vikash Kuthari expired on 18<sup>th</sup> June, 2009. The Board, subject to approval of members at the ensuing Annual General Meeting, recommend to reappoint him as Wholtime Director for a further period of five years.

### SUBSIDIARY COMPANY

In compliance with the requirements of Section 212(2) of the Companies Act, 1956, the Director's Report along with Balance Sheet and Profit and Loss Account of Sinclairs Management Education Co Private Limited are enclosed.

### AUDITORS

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

### CORPORATE GOVERNANCE

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed :
- ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the directors had prepared the annual accounts on a going concern basis.

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

The operations of your company do, not require energy consumption of any significant level. The company also does not use any imported technology. Therefore, information regarding conservation of energy and technology absorption as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies

(Disclosure of Particulars in the Report of the Board of Directors), Rules 1988 is not annexed.

During the year, as a measure to conserve resources and protect environment, the Company has undertaken for installation of solar energy systems in its resort at Chalsa.

During the year, your company earned Rs.3,374,734.00 in foreign exchange (previous year Rs.3,092,237.00). There was expenditure in foreign currency of Rs.2,123,114.00 (previous year : Rs.817,877.00).

**PUBLIC DEPOSITS**

Your company has not accepted any deposits from the public during the year under review.

**PARTICULARS OF EMPLOYEES**

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

**ACKNOWLEDGEMENT**

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

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

|                                     |                                |
|-------------------------------------|--------------------------------|
| Regd. Office:                       | For and on behalf of the Board |
| 56A Mirza Ghalib Street             |                                |
| Kolkata 700 016                     | Dr Niren Suchanti              |
| Dated : 26 <sup>th</sup> June, 2009 | Chairman                       |

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY**

- |   |   |
|---|---|
| 1. Name of the Subsidiary Company   | : SINCLAIRS MANAGEMENT EDUCATION CO PRIVATE LIMITED |
| 2. Financial year of the Subsidiary Company ended on  | : March 31, 2009                                    |
| 3. Extent of interest in Subsidiary Company   | : 94%   |
| 4. Net aggregate amount of the profits of the Subsidiary Company as far as it concerns the members of the Company |   |
| a) Dealt with in the Company's accounts   |   |
| i) for the financial year of the Subsidiary   | : NIL   |
| ii) for the previous financial years of the Subsidiary since it became the Subsidiary of the Company              | : NIL   |
| b) Not dealt with in the Company's accounts   |   |
| i) for the financial year of the Subsidiary   | : Rs. 108,292                                       |
| ii) for the previous financial years of the Subsidiary since it became the Subsidiary of the Company              | : Rs. 108,292                                       |

**For and on behalf of the Board of Directors**

Dr Niren Suchanti  
Chairman

Navin Suchanti  
CEO & Managing Director

Rohan Sikri

Hardeep Sachdeva

www.reportjunction.com  
T. K. Banerjee



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### Industry structure and development

The Indian hotel industry, which enjoyed an unprecedented boom in the last few years, is now a victim of the global recession. Countries are now linked like never before through trade and cross country investment and the global economic slowdown will inescapably have an impact on every nation. The outlook for the hotel industry is to be seen in the context of withering consumer spending and corporates affecting economy in business travel. No doubt, India's economic fundamentals remain sound as the forecast of a 6 to 6.5 percent GDP growth in 2009-10 will bear out. This, however, does not make India's hospitality industry immune from the impact of global economic downturn, the worst since the Great Depression.

A recent report on the Indian Hotel Market Outlook brought out by Jones Lang Lasalle, states that the recessionary impact is expected to be short term. The Indian economy has braved upheavals in the past so there is nothing to panic about.

The hospitality industry should accord greater emphasis on training, preventive maintenance, multi-skilling, employee exposure, cross training and such other measures that are non-financial but would lead to a higher level of guest satisfaction. The next 12 to 18 months will no doubt be testing times for the industry. The challenge for the industry is to take things in its stride and come out of the downturn stronger with learning and experience.

### Opportunities and Threats

It is important that the hotel industry takes note of the recessionary trends and evolves a suitable strategy to protect business.

What is needed in the present difficult circumstances is a proactive strategy. The action plans need to be continuously reconsidered and reevaluated. Some of the action plans are:

Monitor Changes to the Market Segment

Review the Rate Structure and make it dynamic

Evaluate the Channel Distribution system of the hotels

Create Dynamic Packages for rooms and F&B.

Another opportunity for the hoteliers is to look at options of joint promotions. Many hoteliers are already operating in collaboration with airlines, travel agents, etc for packages, not only for individual tourists but also groups, MICE as well as wedding promotions. Hotels have also formed alliances with car rentals, travel portals and airline networks. This too is expected to help ease the cascading effect of the recession. Hoteliers can join hands with the respective state tourism boards and other private operators to take advantage of the hitherto unexploited domestic tourism potential.

For budget hotels, the slower growth periods of the economic cycle present opportunities as well as threats. The reality is that demand doesn't just grow or decline, it also moves from market to market, and from hotel to hotel. Meetings that were once held in more distant, more expensive markets may relocate because of economic compulsions to more affordable local alternatives. Business travelers whose expense accounts once paid for full-service hotel rooms are now likely to seek out less expensive accommodation.

We must take heart in the fact that international tourists still prefer India. This coupled with the stable political situation in the country; will definitely make things for the hospitality industry look up in a few months. The uncertain political scene in North Bengal remains, however, a cause of much concern.

### Outlook

Growing interest in the Indian market and improved international access coupled with the modernization of major airports will definitely boost travel into India. The industry also expects a surge in spiritual and medical tourism in the domestic sector at an annual growth rate of around 10%.

### Risks and Concerns

Tourism industry is generally affected on account of :

- Adverse law and order situation in the country or the region
- Instability in the political climate
- Any natural disaster or spread of epidemic or diseases

### Risk mitigation

The company's five properties being well spread geographically will have greater resilience in the unlikely event of any regional disturbances or natural calamities.

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

### Internal control system and their adequacy

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

### Material developments in Human Resources

Human resource functions and initiatives of your Company to attract, train, retain and motivate employees are driven by a strong set of values and policies. Your Company has taken all adequate and necessary steps from time to time to maintain a competitive, healthy and harmonious work environment at all levels.



## REPORT ON CORPORATE GOVERNANCE

### I. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company always strives to achieve optimum performance at all levels by adhering to corporate governance practices, such as :

- Ø Fair and transparent business practices.
- Ø Effective management control by Board.
- Ø Adequate representation of promoter, executive and independent directors on the Board.
- Ø Accountability for performance.
- Ø Monitoring of executive performance by the Board.
- Ø Compliance of laws.
- Ø Transparent and timely disclosure of financial and management information.

### II. BOARD OF DIRECTORS

The Board of Directors of comprises of five non-executive and two executive directors. Out of five non-executive directors, three are independent.

During the financial year 2008-2009, five meetings of the board were held. These meetings were held on 11<sup>th</sup> April, 2008, 27<sup>th</sup> June, 2008, 30<sup>th</sup> July, 2008, 24<sup>th</sup> October, 2008 and 29<sup>th</sup> January, 2009. The time gap between two meetings was less than four months.

Details and other particulars of Directors are given below :

| Name                | Designation               | Category                           | Equity Shareholding in the Company |
|---------------------|---------------------------|------------------------------------|------------------------------------|
| Dr Niren Suchanti   | Chairman                  | Non-Executive Director             | 164514                             |
| Mr Navin Suchanti   | CEO and Managing Director | Executive Director                 | 217675                             |
| Mr Siddhartha Yog   | Director                  | Non-Executive Independent Director | Nil                                |
| Mr Rohan Sikri      | Director                  | Non-Executive Independent Director | Nil                                |
| Mr Rohan Suchanti   | Director                  | Non-Executive Director             | 56506                              |
| Mr Hardeep Sachdeva | Director                  | Non-Executive Independent Director | Nil                                |
| Mr Vikash Kuthari   | Wholetime Director        | Executive Director                 | 1000                               |

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

| Director             | No. of Board Meetings held | No. of Board Meetings attended | Last AGM Attendance (Yes/No) | No. of memberships in Board of other Public Companies | No. of Committee memberships in other Public Companies* |
|----------------------|----------------------------|--------------------------------|------------------------------|---|---|
| Dr Niren Suchanti    | 5                          | 4                              | Yes                          | 7   | Nil   |
| Mr Navin Suchanti    | 5                          | 5                              | Yes                          | 7   | Nil   |
| Mr Siddhartha Yog    | 5                          | 4                              | No                           | Nil   | Nil   |
| Mr Rohan Sikri       | 5                          | 5                              | No                           | Nil   | Nil   |
| Mr Hardeep Sachdeva  | 5                          | 5                              | Yes                          | Nil   | Nil   |
| Mr Rohan Suchanti    | 5                          | 4                              | No                           | 3   | Nil   |
| Mr Randhir Narayan** | 5                          | 4                              | No                           | Nil   | Nil   |
| Mr Vikash Kuthari    | 5                          | 5                              | No                           | Nil   | Nil   |

\* Chairmanship/Membership Audit Committee and Investor Grievance Committee in Public Companies

\*\* Resigned w.e.f. 19.01.2009



## DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT

Brief resume of the directors being re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships and shareholding are furnished hereunder :

| Particulars  | Mr Siddhartha Yog   | Mr Vikash Kuthari                                |
|--|---|--|
| Date of Birth  | 17.05.1973  | 09.02.1976                                       |
| Date of appointment  | 18.12.2007  | 19.06.2004                                       |
| Qualification  | MBA (Harvard), USA  | Diploma from American Hotels & Motel Association |
| Expertise in specific functional area  | 14 years of global experience in the real estate and infrastructure industries spanning 15 countries across Asia/Pacific. He is Managing partner of Xander Group Inc. USA | 8 years experience in Hotel industry.            |
| Directorships held in Other Public Companies (excluding foreign companies and section 25 Companies)  | NIL   | NIL  |
| Membership/Chairmanship of Committee of the Public Companies (includes only Audit Committee and shareholders/ Investors Grievance Committee) | NIL   | NIL  |
| No. of shares held in the Company  | NIL   | 1000   |

### III. AUDIT COMMITTEE

#### Terms of Reference

The Audit Committee has inter alia the following mandate :

1. To oversee the Company's financial reporting process and disclosure of its financial information ensure the financial statements are correct, sufficient and credible.
2. To recommend appointment and removal of the Statutory Auditors, fixation of audit fees and also approve payment for other services rendered.
3. To review the adequacy of internal control systems with the Management, Statutory and Internal Auditors.
4. To review with the Management, the audited quarterly, half-yearly and annual financial statements before submission to the Board for approval.

5. To review the Company's financial and risk management policies.
6. To review statement of significant related party transactions, management letters/letters of internal control weaknesses.

#### Composition

|                  |  |
|------------------|--|
| Hardeep Sachdeva | - Chairman<br>(Non-Executive Independent Director) |
| Rohan Sikri      | - Member<br>(Non-Executive Independent Director)   |
| Navin Suchanti   | - Member (Executive Director)                      |

#### Secretary

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

#### By Invitation

|          |                    |
|----------|--------------------|
| B L Soni | - Chief Accountant |
|----------|--------------------|



### Meetings and attendance during the year

During the financial year 2008-2009, four meetings of the committee were held on 27<sup>th</sup> June, 2008, 30<sup>th</sup> July, 2008, 24<sup>th</sup> October, 2008 and 29<sup>th</sup> January, 2009. The time gap between two meetings was less than four months.

| Members          | Meetings held | Meetings attended |
|------------------|---------------|-------------------|
| Hardeep Sachdeva | 4             | 4                 |
| Navin Suchanti   | 4             | 4                 |
| Rohan Sikri      | 4             | 4                 |

### IV. REMUNERATION COMMITTEE

#### Terms of reference

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

#### Composition

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

#### Secretary

- T K Banerjee - Company Secretary

### A. Executive Directors

Details of remuneration paid to Executive Directors for the financial year ended 31<sup>st</sup> March, 2009 :

| Particulars                                | Mr Navin Suchanti<br>CEO &<br>Managing Director | Mr Vikash Kuthari<br>Wholetime Director |
|--|---|---|
| Salary and Allowances                      | -   | Rs.7,20,000                             |
| Contribution to PF and Family Pension Fund | -   | Rs.57,600                               |
| Bonus                                      |   | Rs.96,000                               |
| Commission                                 | Rs.9,50,049                                     |   |
| Service Contract                           | 5 years (01.04.2006 to 31.03.2011)              | 5 years (19.06.2004 to 18.06.2009)      |
| Notice Period                              | Three months                                    | Three months                            |
| Stock Option                               | None  | None                                    |

### B. Non-Executive Directors

The Non-Executive Directors are remunerated for attending Board Meeting and Audit Committee

Meeting. For Board meeting the fee is Rs.5000 while for Audit Committee meeting, the fee is Rs.2500.

### V. INVESTORS' GRIEVANCE COMMITTEE

#### Terms of Reference

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

#### Composition

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

#### Secretary

- T K Banerjee - Company Secretary

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

#### Name & Designation of Compliance Officer

- T K Banerjee, Company Secretary

### VI. SHAREHOLDERS' MEETINGS

Details of last three Annual General Meeting/EGM :

| Year    | Date       | Venue   | Time     |
|---------|------------|---|----------|
| 2005-06 | 08.07.2006 | Rotary Sadan<br>94/2, J L Nehru Road<br>Kolkata | 10.30 am |
| 2006-07 | 15.09.2007 | Rotary Sadan<br>94/2, J L Nehru Road<br>Kolkata | 10.30 am |
| EGM     | 08.11.2007 | Rotary Sadan<br>94/2, J L Nehru Road<br>Kolkata | 10.30 am |
| 2007-08 | 13.08.2008 | Rotary Sadan<br>94/2, J L Nehru Road<br>Kolkata | 10.30 am |

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

|    |            |     |  |
|----|------------|-----|--|
| 1. | 08.07.2006 | AGM | i) Issue of further Equity Shares<br>ii) Appointment of<br>Mr Navin Suchanti<br>as CEO and Managing Director |
| 2. | 15.09.2007 | AGM | Issue of further Equity Shares   |
| 3. | 08.11.2007 | EGM | Issue of further Equity Shares<br>on preferential basis  |
| 4. | 13.08.2008 | AGM | Nil  |