

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a registered equity shareholder(s) of Sinclairs Hotels Limited ("the Company"), as on the Record Date in accordance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, as amended. If you require any clarifications about the action to be taken, you may consult your stock broker or your investment consultant or the Manager to the Buyback i.e. VC Corporate Advisors Private Limited or the Registrar to the Buyback i.e. Niche Technologies Private Limited.

SINCLAIRS HOTELS LIMITED

Registered Office: Pressman House, 10A Lee Road, Kolkata- 700 020

Tel. No.: 033 - 40310810/11; Fax: 033 - 40310813; E-mail: secretarial@sinclairshotels.com

Contact Person: Mr B L Soni, General Manager - Finance & Accounts; E-mail: ir@sinclairshotels.com

Cash Offer to Buyback not exceeding 4,95,222 fully paid-up Equity Shares of face value Rs. 10/- each, representing 8.16% of the total number of equity shares in the issued, subscribed and paid-up equity share capital of the Company, from all the existing shareholders / beneficial owners of equity shares of the Company as on the Record Date i.e. November 01, 2013, on a proportionate basis, through the "Tender Offer" Method at a price of Rs. 390/- per equity share (Rupees Three Hundred Ninety Only) for an aggregate amount of Rs. 19,31,36,580/- (Rupees Nineteen Crores Thirty One Lacs Thirty Six Thousand Five Hundred And Eighty Only).

- 1) The Buyback is in accordance with the provisions contained in the Article 8B of the Articles of Association of the Company, Sections 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act, 1956, Regulation 4(1)(a) and other applicable provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as amended from time to time and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India, BSE Limited, Reserve Bank of India etc.
- 2) The Buyback Offer Size is 24.88% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2013 and is within the statutory limits of 25% of the fully paid-up equity share capital and free reserves as per the last audited accounts of the Company.
- 3) This Letter of Offer is sent to the Equity Shareholder(s) / Beneficial Owner(s) of Equity Shares of the Company as on the Record Date i.e. Friday, November 01, 2013.
- 4) The procedure for acceptance is set out in paragraph -- on page -- of this Letter of Offer. The Form of Acceptance-cum- Acknowledgement is enclosed together with this Letter of Offer.
- 5) For mode of payment of consideration to the Equity Shareholders, please refer to paragraph --- on page -- of Letter of Offer.
- 6) A copy of the Public Announcement and this Letter of Offer (including Form of Acceptance-cum- Acknowledgement) is expected to be available on the website of Securities and Exchange Board of India - <http://www.sebi.gov.in>
- 7) Equity Shareholders are advised to refer to paragraph 17 (Details of Statutory Approvals) and paragraph 21 (Note on Taxation) before tendering their Equity Shares in the Buyback



	MANAGER TO THE OFFER: VC CORPORATE ADVISORS PRIVATE LIMITED SEBI REGN NO: INM000011096 (Contact Person: Mr. Anup Kumar Sharma 31 Ganesh Chandra Avenue, 2 nd Floor, Suite No -2C, Kolkata-700 013. Phone No : (033) 2225-3940 / 3941 Fax : (033) 2225-3941 Email: mail@vccorporate.com		REGISTRAR TO THE OFFER: NICHE TECHNOLOGIES PRIVATE LIMITED SEBI REGN. NO: INR000003290 (Contact Person: Mr. S. ABBAS) D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata- 700 001 Tel No.: (033) 2235 7271/ 7270 Fax: (033) 2215 6823 E-mail: nichetechpl@nichetechpl.com
	OFFER OPENS ON: [●]		OFFER CLOSES ON: [●]

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1. SCHEDULE OF ACTIVITIES

Activity	Date	Day
Date of Meeting of Buyback Committee of Board of Directors approving the Buyback	September 2, 2013	Monday
Date of Equity Shareholders Meeting approving the Buyback	October 15, 2013	Tuesday
Date of Public Announcement for the Buyback	October 17, 2013	Thursday
Record Date for determining the Entitlement and the names of Eligible Shareholders	November 01, 2013	Friday
Buyback opens on / Date of Opening of Buyback	[•]	[•]
Buyback closes on / Date of Closing of Buyback	[•]	[•]
Last date of verification	[•]	[•]
Last date of intimation regarding acceptance / non- acceptance of tendered Equity Shares	[•]	[•]
Last date of dispatch of consideration / share certificate(s) / demat instruction(s)	[•]	[•]
Last date of Extinguishment of Equity Shares	[•]	[•]

2. DEFINITION OF KEY TERMS

Acceptance	Acceptance of Equity Shares, tendered by Eligible Persons in the Buyback Offer
Act	The Companies Act, 1956, as amended
Additional Shares / Additional Equity Shares	Eligible Equity Shares tendered by an Eligible Person over and above the Buyback Entitlement of such shareholder.
Company / SHL/ the Company	Sinclairs Hotels Limited
Board of Directors/ Board	Board of Directors of the Company, or the Committee of Directors or Buyback Committee for the purpose of the Buyback.
BSE	BSE Limited
Buyback Entitlement	The number of Equity Shares that a Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by that Shareholder, on the Record date and the Ratio of Buyback applicable in the category, to which such Shareholder belongs to.
Buyback Offer / Buyback / Offer	Offer by Sinclairs Hotels Limited to buy back up to maximum of 4,95,222 fully paid-up Equity Shares of face value of Rs. 10/- each at a price of Rs. 390/- per Equity Share from all the Equity Shareholders of the Company through Tender Offer process, on a proportionate basis.
CSE	The Calcutta Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
DP	Depository Participant
Eligible Person(s)	Person(s) eligible to participate in the Buyback Offer and would mean all Equity Shareholders / Beneficial Owner(s) of Equity Shares of the Company as on the Record Date i.e., November 01, 2013
Equity Shares / Shares	Fully paid up Equity Shares of face value of Rs. 10/- each of Sinclairs Hotels Limited
Escrow Account	The Escrow Account opened with HDFC Bank
Form/ Tender Form	Form of Acceptance-cum-Acknowledgement
LoF/ Offer Document	Letter of Offer
Non-Resident Shareholders	Includes Non-Resident Indians (NRI), Foreign Institutional Investors (FII) and Overseas Corporate Bodies (OCB)
NECS	National Electronic Clearing Services
NSDL	National Securities Depository Limited
Offer Price / Buyback Price	Price at which Equity Shares will be bought back from the Shareholders i.e. Rs. 390/- per fully paid up Equity Share, payable in cash
Offer Size / Buyback Size	Number of Equity Shares proposed to be bought back (i.e. 4,95,222 Equity Shares) multiplied by the Offer Price (i.e. Rs. 390/- per Equity Share) aggregating to Rs. 19,31,36,580/- (Rupees Nineteen Crores Thirty One Lacs Thirty Six Thousand Five Hundred And Eighty Only).
PA / Public Announcement	Public Announcement regarding the Buyback dated October 16, 2013, issued in Business Standar (English newspaper), Business Standard (Hindi newspaper) and Dainik Statesman (Bengali newspaper) on October 17, 2013
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Shareholders, to whom the Letter of Offer and Tender Offer Form will be sent and who are eligible to participate in the proposed Buyback offer in accordance with the Regulations. The Record Date in this Buy Back offer is November 01, 2013.
Registrar to the Offer / Registrar to the	Niche Technologies Private Limited

Buyback	
Regulations / SEBI Regulations / SEBI Buyback Regulations / Buyback Regulations	Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 including any statutory modifications or re-enactments thereof
SEBI	The Securities and Exchange Board of India
Small Shareholder	A Shareholder, who holds Equity Shares whose market value, on the basis of closing price on the BSE as on Record Date i.e. November 01, 2013 is not more than two lakh rupees.
Stock Exchanges/Stock Exchange	BSE and CSE, being the Stock Exchanges where the shares of the Company are listed.
VCAPL/ Manager to the Buyback	VC Corporate Advisors Private Limited

3. DISCLAIMER CLAUSE

As required, a copy of this Letter of Offer has been submitted to the Securities and Exchange Board of India (SEBI). It is to be distinctly understood that submission of the Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the buy back commitments or for the correctness of the statements made or opinions expressed in the offer document. The Manager to the Buyback, VC Corporate Advisors Private Limited has certified that the disclosures made in the Offer Document are generally adequate and are in conformity with the provisions of Companies Act, 1956 and SEBI (Buy Back of Securities) Regulations, 1998, as amended. This requirement is to facilitate investors to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Offer Document, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, VC Corporate Advisors Private Limited has furnished to SEBI a Due Diligence Certificate dated 23.10.2013, in accordance with SEBI (Buy Back of Securities) Regulations, 1998, as amended which reads as follows:

“We have examined various documents and materials contained in the annexure to this letter, as part of the due-diligence carried out by us in connection with the finalization of the Public Announcement and the Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- The Public Announcement and the Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback offer;
- all the legal requirements connected with the said offer including SEBI (Buy Back of Securities) Regulations, 1998, as amended, have been duly complied with;
- the disclosures in the Public Announcement and the Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well informed decision in respect of the captioned Buyback offer.
- Funds used for buy back shall be as per the provisions of the Companies Act, 1956 as amended.

The filing of Offer Document with SEBI, does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, 1956, as amended or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

Promoters / Directors declare and confirm that no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement / misrepresentation and in the event of it transpiring at any point of time that

any information / material has been suppressed / withheld and / or amounts to a mis-statement/ misrepresentation, the Promoters / Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 1956 as amended and the SEBI (Buy Back of Securities) Regulations, 1998, as amended.

Promoters / Directors also declare and confirm that funds borrowed from Banks and Financial Institutions will not be used for the Buyback.

4. TEXT OF THE RESOLUTION PASSED AT THE COMMITTEE MEETING OF THE BOARD OF DIRECTORS

The Buyback through a tender offer has been duly authorised by a resolution passed by the Buyback Committee of the Board of Directors of the Company at their meeting held on September 2, 2013. The text of the relevant resolution passed is given below.

“RESOLVED THAT subject to the approvals of the shareholders of the Company and other regulatory authorities, the consent of Committee of Buy Back of the Board of Directors of the Company be and is hereby is accorded to Buy Back 4,95,222 equity shares of the face value of Rs.10 each (representing 8.16% of the total number of equity shares in the paid-up equity share capital of the Company) at a price of Rs. 390 per equity share (‘Buy Back Price’) aggregating to Rs. 1,931.37 lacs which is less than 25% of the aggregate of Equity Share Capital and Free Reserves of the Company as per Audited Accounts of the Company for Financial Year ended 31.03.2013 through Tender Offer route from its Shareholders”

“RESOLVED FURTHER THAT such Buy Back shall be made from the Free Reserves and/ or such other resources as may be permitted by law as the Board deems fit.”

“RESOLVED FURTHER THAT as required under Regulation 6 of the Buy Back Regulations, 15% of the number of equity shares which the Company proposes to Buy Back or the number of equity shares entitled as per shareholding of small shareholders at the Record Date, whichever is higher, shall be reserved for the small shareholders, as defined in the Buy Back Regulations.”

“RESOLVED FURTHER THAT Buy Back of shares from Non-resident Shareholders, Foreign Institutional Investors (FII’s) and shareholding of Foreign Nationality, etc. shall be subject to such further approvals from the concerned authorities as may be required including approvals from RBI under the Foreign Exchange Management Act, 1999.”

“RESOLVED FURTHER THAT the draft Notice to the Shareholders of the Company for their approval pursuant to Section 192A of the Companies Act, 1956 along with Explanatory Statement, Postal Ballot Form, Calendar of Events, Newspaper Advertisement as placed before the Committee be and are hereby approved.”

“RESOLVED FURTHER THAT Mr. Navin Suchanti, CEO & Managing Director be and is hereby authorized to issue notice for Postal Ballot under his signature to the shareholders and all other persons entitled to receive the same and to do all such acts, matters, deeds and things, as may be required in connection with the Postal ballot process.”

“RESOLVED FURTHER THAT Mr. Deepak Daga, a Practicing Chartered Accountant, be and is hereby appointed as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.”

“RESOLVED FURTHER THAT Mr B L Soni, General Manager – Finance & Accounts, be and is hereby appointed as the Compliance Officer for the purpose of Buy Back of Equity Shares of the Company.”

“RESOLVED FURTHER THAT the Committee of Buy Back of the Board of Directors of the Company be and hereby makes following confirmation;

The Board has made a full enquiry into the affairs and prospects of the Company and that they have formed following opinion:

- a. That immediately following the date of this Board Meeting and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company can be found unable to pay its debts;
- b. That as regards the Company's prospects for the year immediately following the date of this Board Meeting as well as the year immediately following the date on which the results of the Postal Ballot will be declared approving the Buy Back of shares and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting as well as the year immediately following the date on which the results of the Postal Ballot will be declared approving the Buy Back of shares;
- c. In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities);
- d. That the debt equity ratio of the Company after the Buy Back will be within the limit of 2:1 as prescribed under the Act."

"RESOLVED FURTHER THAT VC Corporate Advisors Private Limited having Registered office at 31, Ganesh Chandra Avenue, 2nd Floor, Suite No.2C, Kolkata- 700 013 be and are hereby appointed as the Merchant Banker for proposed Buy Back.

"RESOLVED FURTHER THAT M/s. Niche Technologies Private Limited, Registrar and Transfer Agents of the Company be and are hereby appointed as Registrar for the purpose of Buy Back Offer of the Company.

RESOLVED FURTHER THAT the Buy Back Committee is authorized to do following:

1. To initiate all necessary actions for issue of Public Announcement and filing thereof with SEBI/Stock Exchange(s) and other authorities, filing of declaration of solvency certificate with SEBI and Registrar of Companies.
2. to decide the date of commencement of Buy Back, the actual price, timing and the number of shares to be bought back subject to the limits specified in this resolution.
3. to do all such acts, deeds, things and matters as may be required for the purpose of implementation and successful completion of this Buy Back and for matter incidental to hereof, including but not limited to enter into, sign, execute necessary agreements, change the Merchant Bankers, Brokers, Registrars, Advertisement Agency, Solicitors, Compliance Officer, Auditors for certification purpose, Investor Service Centre and other Advisors, Consultants or Representatives, and further to prefer all applications to the appropriate authorities for necessary approvals, permissions and exemptions as may be required in regard to implementation of Buy Back.
4. to check the opening and operation of Demat account with authorized Depository Participants and to obtain and file certificate for extinguishment and physical destruction of share certificates and all other documents required to be filed in connection to Buy Back with such authorities and within such time, as specified under the Act, Buy Back Regulations and other applicable laws.
5. to authorize any person/s to sign and execute the agreements, papers, documents, correspondence and to do all such acts, things, matters and deeds as they deem fit in this regard.
6. to settle and resolve any queries or difficulties raised by SEBI, Stock Exchanges, Registrar of Companies and any other authorities whatsoever in connection to any matter incidental to and ancillary of the Buy Back.
7. to close the Buy Back and to complete all the required formalities as specified under the Act, Buy Back Regulations and other applicable laws including but not limited to giving Public Announcement within such time and containing such information as required under Regulation 19(7) of the Buy Back Regulations."

8. To delegate all or any of the authorities conferred as above to any Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution or to accept any change(s) or modification(s) as may be suggested by the appropriate authorities or advisors.

5. DETAILS OF THE PUBLIC ANNOUNCEMENT

As per Regulation 8(1) of the SEBI Buyback Regulations, the Company has made a Public Announcement ('PA') for the Buyback of Equity Shares published on October 17, 2013 in the following newspapers which is within two working days from the date of passing the special resolution approving the Buyback, which date is October 15, 2013, being the date of the declaration of the result of the Postal Ballot, which is the date when the special resolution has been deemed to have been passed.

Publications/Newspapers	Language	Editions
Business Standard	English	All
Business Standard	Hindi	All
Dainik Statesman	Bengali	Kolkata

(A copy of the PA is also available on the SEBI website at www.sebi.gov.in)

6. DETAILS OF THE BUYBACK

- (i) Pursuant to the Article 8B of the Article of Association of Sinclairs Hotels Limited and resolution passed by the Buy Back Committee of the Board of Directors of the Company on September 2, 2013 and a special resolution passed by the shareholders of the Company through Postal Ballot Notice dated September 2, 2013, the result of which was declared on October 15, 2013, the shareholders of the Company have approved the buyback of upto 4,95,222 fully paid-up equity shares of face value of Rs. 10/- each from all the existing shareholders/ beneficial owners of equity shares of the Company, on a proportionate basis, through the Tender Offer Method, subject to compliance with the provisions of Sections 77A, 77AA, 77B and other applicable provisions of the Companies Act, 1956 as amended, Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as amended, Listing Agreement entered with the BSE Limited ("BSE") and The Calcutta Stock Exchange Limited ("CSE"), applicable rules and regulations as specified by Reserve Bank of India under Foreign Exchange Management Act, 1999 (FEMA) etc. at a price of Rs. 390/- per equity share ("Buy Back Price") payable in cash, for an aggregate maximum amount of 19,31,36,580/- (Rupees Nineteen Crores Thirty One Lacs Thirty Six Thousand Five Hundred And Eighty Only).

The Buy Back is proposed out of the Company's accumulated Free Reserves due to the satisfactory liquidity position of the Company. The Buyback Offer Size is 24.88% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2013 and is within the statutory limits of 25% of the fully paid-up equity share capital and free reserves as per the last audited accounts of the Company. The maximum number of equity shares proposed to be bought back represents 8.16% of the total number of shares in the paid-up share capital of the Company.

The Buyback Offer Price of Rs. 390/- has been arrived at after considering various factors such as the average closing prices of the equity shares of the Company on Bombay Stock Exchange ("BSE") where the equity shares of the Company are traded, the networth of the Company and the impact of the Buyback on the earnings per equity share of the Company. The Buyback Offer Price represents a premium of 41.84% over the average closing prices of the Company's equity shares on BSE for 3 months preceding the date of intimation to the BSE for formation of a Committee of Directors of the Board to consider the proposal of the Buyback and 59.38% over the average closing prices of the Company's equity shares on BSE for 2 weeks preceding the date of intimation to the BSE for formation of a Committee of Directors of the Board to consider the proposal of the Buyback.

The Buy Back is proposed to be implemented by the Company through Tender Offer Method from the shareholders on a proportionate basis, provided 15% of the number of Equity Shares which the Company proposes to buy back or number of Equity Shares entitled as per the shareholding of Small

Shareholders at Record Date, whichever is higher, shall be reserved for Small Shareholders, which term is defined in the Regulations to mean a shareholder who holds equity shares having market value, on the basis of closing price on BSE as on Record Date, of not more than, is not more than Two Lacs Rupees (“**Small Shareholders**”)

- (ii) The Buy Back is proposed to be implemented by the Company through Tender Offer route from the shareholders on a proportionate basis, provided 15% of the number of Equity Shares which the Company proposes to Buy Back or number of Equity Shares entitled as per the shareholding of Small Shareholders at Record Date, whichever is higher, shall be reserved for Small Shareholders.
- (iii) The shareholding of the Promoters and Promoter Group being Persons in Control as on the date of Public Announcement i.e. October 17, 2013 is as under:

Name	No. of Equity Shares	% of Equity Paid-up Capital
M/s. Prima Communications Limited	300	0.00
Mr. Navin Chand Suchanti	3,17,914	5.24
Dr. Niren Chand Suchanti	3,38,421	5.58
Mrs. Pramina Suchanti	12,56,224	20.71
Mrs. Sujata Suchanti	12,31,613	20.31
Total	31,44,472	51.84

- (iv) No Equity Shares were either purchased or sold by the Promoters and by the directors of the Promoters, where the Promoter is a company, being persons who are in control of the Company, during the period of last six months preceding 2nd September, 2013 being the date of the Board Meeting of the Buy Back Committee which approved the Buy Back except following:

Mr. Navin Suchanti

Date of Transaction	Purchase/ Sold	No. of shares Purchased/ Sold	Mode of Transaction	Rate (Rs.)
01.04.2013	Purchase	495	Market	286.97
02.04.2013	Purchase	530	Market	287.26
04.04.2013	Purchase	510	Market	289.57
05.04.2013	Purchase	110	Market	289.94
11.04.2013	Purchase	200	Market	284.58
17.04.2013	Purchase	800	Market	282.67
18.04.2013	Purchase	802	Market	282.91
22.04.2013	Purchase	620	Market	282.42
25.04.2013	Purchase	670	Market	282.82
26.04.2013	Purchase	720	Market	282.67
02.05.2013	Purchase	735	Market	281.70
03.05.2013	Purchase	803	Market	283.55
14.05.2013	Purchase	560	Market	287.77
16.05.2013	Purchase	395	Market	296.33
31.05.2013	Purchase	1,480	Market	306.38
06.06.2013	Purchase	1,264	Market	294.47
07.06.2013	Purchase	900	Market	296.33
Total		11,594		

(v) Subsequent to the date of Postal Ballot Notice i.e. 2nd September, 2013, the Promoters of the Company has entered into the following transaction into the share of the Company:

Dr Niren Chand Suchanti

Date of Transaction	Purchase/Sold	No of Shares purchased/sold	Mode of Transaction	Rate (Rs)
03.10.2013	Purchase	30000	Market Purchase	351.00
07.10.2013	Sold	29518	Market Sale	354.00
08.10.2013	Sold	406	Market Sale	354.00
09.10.2013	Sold	76	Market Sale	355.00

Mr Navin Chand Suchanti

Date of Transaction	Purchase/Sold	No of Shares purchased/sold	Mode of Transaction	Rate (Rs)
03.10.2013	Purchase	30000	Market Purchase	351.50
07.10.2013	Sold	29896	Market Sale	353.00
08.10.2013	Sold	104	Market Sale	354.00

Ms Pramina Suchanti

Date of Transaction	Purchase/Sold	No of Shares purchased/sold	Mode of Transaction	Rate (Rs)
03.10.2013	Sold	59543	Market Sale	351.25
07.10.2013	Sold	46457	Market Sale	354.64
08.10.2013	Purchase	72000	Market Purchase	354.00
09.10.2013	Purchase	33601	Market Purchase	355.00

Ms Sujata Suchanti

Date of Transaction	Purchase/Sold	No of Shares purchased/sold	Mode of Transaction	Rate (Rs)
07.10.2013	Purchase	106000	Market Purchase	354.00
08.10.2013	Sold	72000	Market Sale	354.00
09.10.2013	Sold	34000	Market Sale	355.00

(vi) In terms of the Buyback Regulations, under the Tender Offer method, the promoters of the Company have the option to participate in the Buyback. In this regard, Promoters vide their letters dated 15th October, 2013, have shown their intention to participate in the Buyback and offer upto an aggregate maximum of 2,75,000 equity shares or such lower number of shares as required in compliance with the Buyback Regulations/ terms of the Buyback. The details of date and price of acquisition of the equity shares that the Promoters intend to tender are stated below:

(a) M/s. Prima Communications Limited

Date of Acquisition/ (Disposal)	Shareholding as on date of PA	Maximum shares intended to be tendered	Cost of Acquisition (In Rs.)
Various	300	300	60.88

(b) Dr. Niren Chand Suchanti

Date of Acquisition/	Shareholding as on date	Maximum shares	Cost of Acquisition
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(Disposal)	of PA	intended to be tendered	(In Rs.)
Various	338421	30500	24.67

(c) Mrs. Sujata Suchanti

Date of Acquisition/ (Disposal)	Shareholding as on date of PA	Maximum shares intended to be tendered	Cost of Acquisition (In Rs.)
Various	1231613	106700	6.58

(d) Mr. Navin Chand Suchanti

Date of Acquisition/ (Disposal)	Shareholding as on date of PA	Maximum shares intended to be tendered	Cost of Acquisition (In Rs.)
Various	317914	30500	23.36

(e) Mrs. Pramina Suchanti

Date of Acquisition/ (Disposal)	Shareholding as on date of PA	Maximum shares intended to be tendered	Cost of Acquisition (In Rs.)
Various	1256224	107000	3.01

- (vii) Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their entitlement, the aggregate shareholding of the Promoters, post Buyback will [increase / decrease] to [●]% of the post Buyback equity share capital of the Company. Post Buyback, the non-Promoter shareholding of the Company will not fall below the minimum level required as per the listing conditions/ agreement.

7. AUTHORITY FOR THE BUYBACK

Pursuant to Section 77A and other applicable provisions of the Companies Act, 1956 as amended, the Buyback Regulations and in terms of Article 8B of the Articles of Association of the Company, the Buyback through a tender offer has been duly authorised by:

- Resolution passed by the Committee of the Board of Directors of the Company at their meeting held on September 2, 2013.
- A special resolution passed by the shareholders of the Company in terms of the provisions of Section 192A of the Act read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011. The notice dated September 2, 2013 along with the Explanatory Statement for the special resolution in respect of the Buyback containing the disclosures as required under Schedule I of the Regulations was sent to all members of the Company. The result of the Postal Ballot was announced on October 15, 2013, which is the date when the special resolution is deemed to have been passed by the shareholders.

8. NECESSITY OF THE BUYBACK

During the current Financial Year, the Company has divested its entire investment in M/s. Savannah Hotels Private Limited generating a net cash inflow of approx Rs. 2700 lacs in the Company. The Company therefore has substantial cash surplus leading to a favorable liquidity position. With a view to rewarding the equity shareholders, through return of surplus cash generated pursuant to the aforementioned transaction the Board of Directors have recommended Buy Back of shares of the Company. The management has considered the Buy Back of the Equity Shares of the Company as an effective way of utilizing the surplus cash which is more than what is needed for regular business operations. The proposed Buy Back is expected to:

- reduce outstanding number of equity shares and consequently increase Earnings Per Share over a period of time;
- effectively utilize surplus cash; and
- improve key return ratios like Return on Net Worth, Return on Assets etc.

9. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

- (i) The Buyback is not likely to cause any material impact on the profitability/ earnings of the Company except a reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming there is full response to the Buyback, the funds deployed by the Company towards the Buyback would be Rs. 19,31,36,580/-.
- (ii) The Promoters have expressed their intention, vide their letters dated 15th October, 2013, to participate in the Buyback and offer upto an aggregate maximum of 2,75,000 Equity Shares or such number of Equity Shares as required in compliance with the Buyback Regulations/ terms of the Buyback.
- (iii) The Buyback of Shares will not result in a change in control or otherwise affect the existing management structure of the Company.
- (iv) Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, their shareholding would undergo a change.
- (v) The debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by the Companies Act, 1956, as amended, even if the response to the Buyback is to the extent of 100% (full acceptance).
- (vi) The Buyback is not expected to impact growth opportunities for the Company.
- (vii) The Promoters and Promoter Group of the Company shall not deal in the Shares of the Company during the period of the Buyback.
- (viii) The Company shall not issue bonus shares during the period of the Buyback.
- (ix) Salient financial parameters consequent to the Buyback based on the latest audited results as on March 31, 2013 are as under:

Parameters	Pre-Buyback*	Post-Buyback*
Networth (excluding revaluation reserves) (Rs. in Lacs)	7763.02	5831.65
Return on Networth (excluding revaluation reserves) (%)	17.80	23.43
Earnings per Share (Rs.)	23.60	25.70
Book Value per Share (Rs.)	132.56	100.72
P/E as per the latest audited financial results**	14.90	15.64
Total Debt/Equity Ratio (Total Debt/Networth)	-	-

* Pre and Post Buyback Calculations are based on financial numbers as on March 31, 2013. The post Buyback numbers are calculated by reducing the net worth by the proposed buyback amount (assuming full acceptance) without factoring any impact on the profit & loss account

** P/E Ratio based on the market price as on date of PA i.e. October 17, 2013- Rs. 351.60 (BSE)

10. BASIS OF CALCULATING THE BUYBACK PRICE

- (i) The Buyback Offer price of Rs. 390/- per Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares on BSE (where the Equity Shares are traded), the impact of the Buyback on the earnings per Equity Share, other financial ratios of the Company and other relevant considerations.
- (ii) The Buyback Offer Price represents a premium of 41.84% over the average closing prices of the Company's equity shares on BSE for 3 months preceding the date of intimation to the BSE for formation of a Committee of Directors of the Board to consider the proposal of the Buyback and 59.38% over the average closing prices of the Company's equity shares on BSE for 2 weeks preceding the date of intimation to the BSE for formation of a Committee of Directors of the Board to consider the proposal of the Buyback.
- (iii) The Buy Back Price is more than about 194.21% of the Book Value per Equity Share of the Company, which pre-Buyback, as on March 31, 2013, is Rs. 132.56.
- (iv) The EPS of the Company pre-Buyback as on March 31, 2013 is Rs. 23.60 which will increase to Rs. 25.70 post Buyback assuming full acceptance of the Buyback.
- (v) The Return on Networth of the Company pre Buyback as on March 31, 2013 is 17.80% which will increase to 23.43% post Buyback assuming full acceptance of the Buyback.

11. SOURCES OF FUNDS FOR THE BUYBACK

- (i) Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buyback would be Rs. 19,31,36,580/- (Rupees Nineteen Crores Thirty One Lacs Thirty Six Thousand Five Hundred And Eighty Only).
- (ii) During the current Financial Year, the Company has divested its entire investment in M/s. Savannah Hotels Private Limited generating a net cash inflow of approx Rs. 2700 lacs in the Company. The Company therefore has substantial cash surplus leading to a favorable liquidity position. With a view to rewarding the equity shareholders, through return of surplus cash generated pursuant to the aforementioned transaction the Board of Directors have recommended Buy Back of shares of the Company. The management has considered the Buy Back of the Equity Shares of the Company as an effective way of utilizing the surplus cash which is more than what is needed for regular business operations.

12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

1. In accordance with Regulation 10 of the Regulations, an Escrow Agreement dated 21.10.2013 has been entered into between the Company, VC Corporate Advisors Private Limited and HDFC Bank Limited ('**Escrow Agent**') through its branch at Central Plaza, 2/6 Sarat Bose Road, Kolkata- 700 020, and in accordance with the same the Company has opened an escrow account in the name and style "SHL- BUYBACK OFFER ESCROW ACCOUNT" bearing account number 00140350009487 in the form of cash deposit of a sum of Rs. 4,82,85,000 (Rupees Four Crores Eighty Two Lacs Eighty Five Thousand Only) ('**Escrow Amount**'), and VC Corporate Advisors Private Limited being the Manager to the Buyback has been empowered to operate the Escrow Account in accordance with the Buyback Regulations.
2. The Company has adequate and firm financial resources to fulfill the obligations under the Buyback Offer and the same has been certified by M/s. S M Daga & Co., Chartered Accountants having its office at 11, Clive Row, Kolkata 700 001; Tel. No.033 22425125; (Membership No: 302555), vide his certificate dated 15th October, 2013

- Based on the aforementioned certificate, the Manager to the Buyback confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buyback are in place and the Company has the ability to implement the Buy Back offer in accordance with the Buyback Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- The present capital structure of the Company is as follows:

(Rs. in Lacs)

Parameters	Pre-Buyback
Authorized Share Capital	
1,50,00,000 Equity Shares of Rs. 10/- each	1500.00
50,00,000 Redeemable Preference Shares of Rs.10/- each	500.00
Issued, Subscribed and Paid-up Share Capital	
60,65,222 Equity Shares of Rs. 10/- each	606.52

- Assuming full acceptance in the Buyback, the capital structure of the Company post Buyback would be as follows:

Parameters	Post-Buyback
Authorized Share Capital	
1,50,00,000 Equity Shares of Rs. 10/- each	1500.00
50,00,000 Redeemable Preference Shares of Rs.10/- each	500.00
Issued and Subscribed Share Capital	
55,70,000 Equity Shares of Rs.2 each	557.00

- There are no partly paid up Shares or outstanding convertible instruments or Preferential Shares or calls in arrears as on the date of the Public Announcement.
- The Company did not have any Buy Back programme prior to the present Buyback.
- The shareholding pattern of the Company pre-Buyback, taken as on November 01, 2013 (the Record Date), as well as the post Buyback Shareholding, are as shown below:

Category of Shareholder	No. of Shares Pre- Buyback	% to the existing Equity Share capital	No. of Shares - Post Buyback#	% to the existing Equity Share Capital
Promoters and persons acting in Concert (Collectively "the Promoters")	3144472	51.84	[•]	[•]
Foreign Investors (Including Non Resident Indians, FIIs and Foreign Mutual Funds)	2730743	45.02		
Financial Institutions/Banks & Mutual Funds promoted by Banks/Institutions	2205	0.04	[•]	[•]
Others (Public, Public Bodies Corporate etc.)	187802	3.10		
Total	60,65,222	100.00	55,70,000	100.00

#Assuming full acceptance of Equity Shares in the Buyback in the ratio of their entitlement.

6. There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.
7. Other than the transactions mentioned in para 6.(iv) and 6.(v) in page __, no Equity Shares have been purchased/ sold/ transferred by any member of the Promoter Group including the Directors of the Companies forming part of the Promoter Group as well as the Persons in Control of the Company during the period of twelve months preceding the date of the Public Announcement.

14. BRIEF INFORMATION OF THE COMPANY

1. The Company was originally incorporated in the name of Sinclairs Hotels Private Limited on December 2, 1971 with the Registrar of Companies, West Bengal. The name of the Company was changed to Sinclairs Hotels and Transportation Private Limited on April 5, 1978. The Company was subsequently converted into a public limited company and received a fresh certificate of incorporation on November 30, 1981. Subsequently the name of the Company was changed to Sinclairs Hotels Limited on October 5, 2005. The registered office of the Company is situated at Pressman House, 10A Lee Road, Kolkata - 700 020, Tel: 033 - 40310810/11; Fax: 033 - 40310813. The Company's Corporate Identity Number (CIN) is L55101WB1971PLC028152.
2. The Company presently operates in the hospitality sector. The Company owns and manages chain of hotels in India under the brand "Sinclairs". At present the Company operates five hotels namely; Sinclairs Siliguri located at Siliguri, Sinclairs Darjeeling located at Darjeeling, Sinclairs Retreat Dooars (Chalsa) located at Dooars (Chalsa), Sinclairs Ooty located at Ooty and Sinclairs Bay View, Port Blair located at Port Blair.
3. The equity shares of the Company were listed on BSE and CSE in the year 1986.
4. Details of changes in share capital of the Company since incorporation is as follows:

Date of Shares	Issued allotment		Cumulative paid up Capital	Mode of allotment	Identity of allottees
	Number	%			
31.03.1978	10,148	0.17	10,148	Cash	Promoters & Associates
22.08.1978	9,412	0.16	19,560	Other than cash	Allotted to the shareholders of Sinclairs Freight and Chartering Consultants Pvt. Ltd., on amalgamation
31.03.1979	6,000	0.09	25,560	Cash	Allotment to Promoters & Associates
1983	2,30,040	3.79	2,55,600	Cash	By split
31.03.1983	1,00,000	1.65	3,55,600	Cash	Private placement WBIDC
31.03.1984	50,000	0.82	4,05,600	Cash	Private placement IDBI
30.06.1986	9,37,500	15.46	13,43,100	Other than cash	Public issue
23.08.1994	6,56,898	10.83	19,98,998	Other than cash	Allotted to the shareholders of Benchmark Home & Resorts Ltd on amalgamation (three share of the Company was allotted for every one share of Pressman Resorts Ltd)
30.07.1998	1,76,575	2.91	21,76,573	Cash	Allotted to the shareholders of

Date of Shares	Issued allotment		Cumulative paid up Capital	Mode of allotment	Identity of allottees
	Number	%			
					Benchmark Home & Resorts Ltd on amalgamation (1 share of the Company was allotted for every 20 shares of Benchmark Home & Resorts Ltd)
30.01.1999	9,99,999	16.49	31,76,572	Cash	Conversion of zero interest fully convertible debentures
19.12.2007	3,53,384	5.83	35,29,956	Cash	Preferential Allotment to Investors
11.04.2008	9,69,923	15.99	44,99,879	Cash	Allotted to Investors pursuant to the conversion of warrants
12.02.2009	1,58,714	2.62	46,58,593	Cash	Allotted to Investors pursuant to the conversion of warrants
08.04.2009	14,06,629	23.19	60,65,222	Cash	Allotted to Promoter group and Investors pursuant to the conversion of warrants
TOTAL	60,65,222	100.00			

5. The Details of the Board of Directors of the Company are as follows:

Name of the Director	Designation	Qualifications	Date of Appointment/ Reappointment	Other Directorships
Dr Niren Suchanti	Chairman	Ph.D	30.06.1990	Pressman Advertising Ltd Prima Communications Ltd Pressman Realty Ltd Nucent Share & Stock Broking Services Ltd Son-et-Lumiere Art Gallery Pvt Ltd
Navin Suchanti	CEO & Managing Director	B.Sc. (Hons)	30.06.1990	Pressman Advertising Ltd Prima Communications Ltd Pressman Realty Ltd Nucent Share & Stock Broking Services Ltd Son-et-Lumiere Art Gallery Pvt Ltd Sadgun Trading Pvt Ltd Kensington Apartment Pvt Ltd
Rohan Sikri	Director	MBA	18.12.2007	66 Business Park Pvt Ltd Eldeco City Pvt Ltd Eldeco Jalandhar Properties Pvt Ltd ICC Realty (India) Pvt Ltd Kakade City Mall Private Limited Mahibharta Projects Pvt Ltd Mantri Technology Constellations Pvt

Name of the Director	Designation	Qualifications	Date of Appointment/ Reappointment	Other Directorships
				Ltd NCR Business Park Private Limited Omega Shelters Pvt Ltd Romex Promoters Pvt Ltd Tapp Semiconductor India Pvt Ltd Tarun Realtors Pvt Ltd The Indian Film Combine Pvt Ltd Virtuous Trustees Pvt Ltd Xander Finance Pvt Ltd Xenios Hotel Services Pvt Ltd Zeus Development Management Pvt Ltd Xenios Hotel Services Pvt Ltd Xander Real Estate India Partners LLP
Hardeep Sachdeva	Director	LL.B	18.12.2007	Microsoft India(R&D) Pvt Ltd Microsoft Corporation(India) Ltd Microsoft Global Services Centre (India) Pvt Ltd Xander Advisors India Pvt Ltd Leroy Infra Pvt Ltd
Kunal Bose	Director	M.A.	19.12.2009	Nil
Ravi Bhasin	Director	B.S.L. LL.B	26.07.2010	Nil
Aseem Kohli	Director	MBA, B.Tech	26.02.2013	Sugam Vanijya Pvt Ltd
Vikash Kuthari	Wholetime Director	B.Sc.	19.06.2004	Nil

6. The details of changes in the Board of Directors during the last 3 years are as under:

Name of the Director	Appointment/ Resignations	Effective Date	Reasons
Siddhartha Yog	26.02.2013	26.02.2013	Resigned
Aseem Kohli	26.02.2013	26.02.2013	Appointed

15. FINANCIAL INFORMATION ABOUT THE COMPANY

(i) The salient financial information of the Company on standalone basis, as extracted from the audited results for the last three financial years and unaudited results for three months ended June 30, 2013 are given below:

Particulars	For the 3 months ended 30.06.2013 (Unaudited)	For the year ended 31.03.2013 (Audited)	For the year ended 31.03.2012 (Audited)	For the year ended 31.03.2011 (Audited)
Revenue from Operations	600.97	1959.43	1446.91	1498.76
Other Income	23.28	210.41	278.68	411.52

Particulars	For the 3 months ended 30.06.2013 (Unaudited)	For the year ended 31.03.2013 (Audited)	For the year ended 31.03.2012 (Audited)	For the year ended 31.03.2011 (Audited)
Total Income	624.25	2169.84	1725.59	1910.28
Total Expense	390.36	1552.31	1116.31	1058.84
Interest	-	-	-	-
Depreciation	64.00	214.82	148.49	140.48
Exceptional Items	-	1146.19	-	-
Profit Before Tax	169.89	1548.90	460.79	710.96
Provision for Tax	57.77	117.39	152.11	188.31
Profit After Tax	112.12	1431.51	308.68	522.65
Paid-up equity share capital of the Company	606.52	606.52	606.52	606.52
Reserves & Surplus excluding Revaluation Reserves and Miscellaneous Expenditure to the extent not written off	7545.58	7433.46	7120.66	7093.96
Net Worth	8152.10	8039.98	7727.18	7700.48
Total Debt	-	-	-	-

- (ii) Financial Ratios for the last three financial years and unaudited results for 3 months ended June 30, 2013 on standalone basis are as under:

Particulars	For the 3 months ended 30.06.2013 (Unaudited)	For the year ended 31.03.2013 (Audited)	For the year ended 31.03.2012 (Audited)	For the year ended 31.03.2011 (Audited)
Earnings Per Share (EPS)	1.85	23.60	5.09	8.62
Debt/ Equity Ratio	-	-	-	-
Book Value (Rs. per share)	134.41	132.56	127.40	126.96
Return on Networth (In %)	1.38	17.80	3.99	6.79

- (iii) The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company hereby declares that it has complied with Section 77A (2) (c), (d), 77B (1) 77B (2) of the Act.

16. STOCK MARKET DATA

- (i) The Company's Equity Shares are traded only on BSE Limited. The high, low and average market prices in preceding three calendar years and the monthly high, low and average market prices for the six months preceding the date of Public Announcement and the corresponding volumes on BSE are as follows:

Period	High Price (Rs.)	Date of High Price & No. of shares traded on that date	Low Price (Rs.)	Date of Low Price & No. of shares traded on that date	Average Price	Total Volume Traded in the period (No. of shares)
PRECEDING 3 YEARS						

Period	High Price (Rs.)	Date of High Price & No. of shares traded on that date	Low Price (Rs.)	Date of Low Price & No. of shares traded on that date	Average Price	Total Volume Traded in the period (No. of shares)
Calendar Year 2010	330.00	09.06.2010 6 shares	166.00	15.01.2010 1519 shares	228.76	30329
Calendar Year 2011	330.00	25.03.2011 27 shares	221.60	26.12.2011 3 shares	286.86	7190
Calendar Year 2012	333.95	29.11.2012 250 shares	243.75	14.09.2012 104 shares	278.27	8383
PRECEDING 6 MONTHS						
April 2013	316.60	03.04.2013 15 shares	267.10	18.04.2013 804 shares	284.88	5502
May 2013	322.00	30.05.2013 7 shares	280.30	02.05.2013 735 shares	292.90	4401
June 2013	295.00	07.06.2013 900 shares	275.00	28.06.2013 10 shares	286.73	2548
July 2013	270.00	01.07.2013 8 shares	232.80	31.07.2013 7 shares	250.78	278
August 2013	345.45	29.08.2013 2 shares	225.00	07.08.2013 2 shares	281.59	283
September 2013	379.00	04.09.2013 82 shares	311.00	27.09.2013 521 shares	343.77	31,223

(Source: www.bseindia.com)

- (ii) The closing market price of the Equity Shares of the Company on August 29, 2013 being the last trading date before the date of the meeting of Committee of Buyback of Board of Directors was Rs. 345.45 on BSE, being the Stock Exchange where the shares of the Company are traded.

17. DETAILS OF THE STATUTORY APPROVALS

- (i) The Buy Back is subject to approval, if any required, under the provisions of the Act, the Regulations, applicable rules and regulations as specified by Reserve Bank of India under Foreign Exchange Management Act, 1999 (FEMA) and/or such other applicable rules and regulations in force for the time being.
- (ii) Non-Resident Indians ('NRI') and erstwhile Overseas Corporate Bodies ('OCB') must obtain all approvals required to tender the Equity Shares held by them in this Buy Back Offer (including without limitation the approval from the RBI). The Company will have the right to make payment to the shareholders in respect of whom no prior RBI approval is required and not accept Shares from the shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.
- (iii) In case of delay in receipt of the RBI approval, the Company has the option to make payment to those shareholders, whose Shares are accepted in the Buy Back, in respect of whom no RBI approval is required. After the receipt of RBI approval, the payment shall be made to the shareholders in respect of whom prior RBI approval is required.
- (iv) As of date, there is no other statutory or regulatory approval required to implement the Buyback, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback will be subject to such statutory or regulatory approvals. In the event that the receipt of any statutory / regulatory approvals are delayed, changes to the proposed timetable of the Buy Back, if any, shall be intimated to the BSE and CSE.

18. DETAILS OF THE REGISTRAR TO THE BUYBACK AND COLLECTION CENTRES

(i) REGISTRAR TO THE BUY BACK:

NICHE TECHNOLOGIES PRIVATE LIMITED

Unit: Sinclairs Hotels Limited- Buy Back

Address: D-511, Bagree Market,

71, B.R.B. Basu Road,

Kolkata- 700 001

Tel No.: (033) 2235 7271/ 7270

Fax: (033) 2215 6823

E-mail: nichetechpl@nichetechpl.com

Contact Person: Mr. S Abbas

(ii) COLLECTION CENTRES:

The tender forms can be submitted on any working day during the period of the Offer i.e. [●] to [●] except Sundays & Public Holidays, to the Registrar of the Offer between 10.00 AM to 05.00 PM

19. PROCESS AND METHODOLOGY FOR THE BUYBACK

- (i) The Company proposes to buyback not exceeding 4,95,222 Equity Shares from all the existing shareholders/ beneficial owners of Equity Shares of the Company, on a proportionate basis, through the Tender Offer route at a price of Rs. 390/- (Rupees Three Hundred and Ninety only) per Equity Share, payable in cash for an aggregate amount of Rs. 19,31,36,580/- (Rupees Nineteen Crores Thirty One Lacs Thirty Six Thousand Five Hundred And Eighty Only). The maximum number of Equity Shares proposed to be bought back represents 8.16% of the total paid-up equity share capital of the Company. The Buyback is in accordance with the provisions of Article 8B of the Articles of Association of the Company, Sections 77A, 77AA, 77B of the Companies Act, 1956 as amended, Regulation 4(1)(a) and other applicable provisions contained in the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, BSE, CSE, RBI etc. The Buyback Offer Size is 24.88% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2013.
- (ii) The aggregate shareholding of the Promoter Group/ Persons in Control is 31,44,472 Equity Shares, which represents 51.84% of the existing Equity Share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer method, the Promoters of a company have the option to participate in the Buyback. In this regard, the Promoter entities as listed in paragraph 6.(vi) of this Draft Letter of Offer have expressed their intention, vide their letters dated 15th October, 2013, to participate in the Buyback and offer upto an aggregate maximum of 2,75,000 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations/ terms of the Buyback..
- (iii) Assuming response to the Buyback Offer is to the extent of 100% from all the Shareholders upto their entitlement (full acceptance), post Buyback the aggregate shareholding of the Promoter Group will [increase/ decrease] to [●] Equity Shares, representing [●]% of the post buyback equity share capital of the Company.
- (iv) Record Date and Ratio of Buyback as per the entitlement in each Category:
 - The Buyback Committee in its meeting held on October 16, 2013 announced November 01, 2013 as Record Date for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the Buyback Offer.
 - The Shares to be bought back as a part of this offer is divided into two categories:

- ♦ Reserved category for Small Shareholders (“Reserved Category”), and
 - ♦ The General Category for other than small shareholders (“General Category”)
- As defined in the SEBI Buyback Regulations, Small Shareholder includes a shareholder, who holds shares whose market value, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date, is not more than two lakh rupees. As on Record Date, the closing price on BSE was Rs. [•].
- Based on the above definition, there are [•] Small Shareholders in the Company with aggregate shareholding of [•] Shares, as on Record Date, which constitutes [•]% of the outstanding number of Equity Shares of the Company and [•]% of the Maximum Number of Equity Shares which the Company proposes to buyback as a part of this Offer.
- In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be higher of:
- ♦ Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of 4,95,222 Equity Shares which works out to 74,284 Equity Shares; or
 - ♦ The number of Equity Shares entitled as per their shareholding as on Record Date [i.e. $([•]/60,65,222) \times 4,95,222$] which works out to be [•] equity shares.

All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoters Group also intends to offer Equity Shares held by them in the Buyback.

Based on the above and in accordance with Regulation 6 of the Buyback Regulations, [•] (Rounded off) Equity Shares have been reserved for Small Shareholders. Accordingly, General Category for Other Shareholders shall consist of [•] Equity Shares.

- Based on the above entitlements, the ratio of Buyback for both categories is decided as below:

Category of Shareholders	Ratio of Buyback
Reserved category for Small Shareholders	[•] Equity Shares out of every [•] fully paid-up Equity Shares held on the Record Date
General category of other shareholders	[•] Equity Shares out of every [•] fully paid-up Equity Shares held on the Record Date

(v) **Fractional Entitlements:**

If the entitlement under Buyback, after applying the abovementioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share) then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback Offer, for both categories of Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold [•] or less Equity Shares as on Record Date, will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender additional Equity Shares as part of the Buyback Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares.

(vi) **Basis of Acceptance of Shares validly tendered in the Reserved Category for Small Shareholders:**

Subject to the provisions contained in the Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- (a) Full Acceptance of Equity Shares from Small Shareholders in the Reserved Category for small shareholders who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them whichever is less.
- (b) Post the acceptance as described in Clause 19.(vi).(a) above, in case there are any Shares left to be bought back in the Reserved Category for Small Shareholders, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered additional Shares as part of the Buyback offer, shall be given preference and one share each from the Additional Shares applied by these Small Shareholders shall be bought back in the Reserved Category.
- (c) Post the acceptance as described in Clause 19.(vi).(a) and (b) above, in case there are any Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the Other Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Shares tendered by the Other Shareholders i.e. valid acceptances per Other Shareholder shall be equal to the Additional Shares validly tendered by the Other Shareholder divided by the total Additional Shares validly tendered and multiplied by the total Pending number of Shares to be accepted in General Category.
- (d) Adjustment for fractional results in case of proportionate acceptance, as described in Clause 19.(vi).(c) above:
 - For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

(vii) Basis of Acceptance of Shares validly tendered in the General Category for Other Shareholders:

Subject to the provisions contained in the Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback Offer by the Other Shareholders in the General Category in the following order of priority:

- (a) Full Acceptance of Equity Shares from Other Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them whichever is less.
- (b) Post the acceptance as described in Clause 19.(vii).(a) above, in case there are any Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the Other Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by the Shareholder divided by the total Additional Shares validly tendered and multiplied by the total Pending number of Shares to be accepted in General Category.
- (c) Adjustment for fractional results in case of proportionate acceptance, as described in Clause 19.(vii).(a) and (b) above:
 - For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

- For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

(viii) Basis of Acceptance of Shares between Categories

- (a) After acceptances of tenders, as mentioned in 19.(vi) and 19.(vii) above, in case, there are any Shares left to be bought back in one category (“Partially Filled Category”) and there are additional unaccepted validly tendered Shares (“Further Additional Shares”) in the second category (“Over Tendered Category”), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid acceptances per shareholder shall be equal to Further Additional Shares validly tendered by the shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially Filled Category.
- (b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Share before acceptance in paragraph 19.(viii).(a) above out of the Shares left to be bought back in the Partially Filled Category provided no acceptance could take place from such Shareholder in accordance with paragraph 19.(vi).
- (c) Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 19.(viii).(a) above
- For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.
- (ix) For avoidance of doubt, it is clarified that the shares accepted under the Buyback Offer from each shareholder, in accordance with paragraph 19.(iv), (vi), (vii) and (vii) above, shall be lower of the following:
- The number of shares tendered by the respective shareholder and
 - The number of shares held by respective shareholder on the Record Date.
- (x) For the avoidance of doubt, it is clarified that the Shares tendered by any Shareholder over and above the number of Shares held by such Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with paragraph 19.(iv), (vi), (vii), (viii) and (ix) above.

20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT

1. The Buyback is open to all Eligible Person(s) holding equity shares as on the record date.
2. The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback the locked-in Shares and non-transferable Shares till the pendency of the lock-in or till the Shares become transferable. As on the date of the PA, there are no shares which are locked-in or are non-transferable.

3. The Company proposes to affect the Buyback through a tender offer method, on a proportionate basis. A Letter of Offer ('LoF') and Form of Acceptance-cum-Acknowledgement ('Form'), outlining the terms of the Buyback as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed to shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Shares as per the records of National Securities Depository Limited/ Central Depository Services (India) Limited, on the Record Date.
4. The Buyback shall be open for the period as shown in the proposed timeline. Shareholders who propose to tender in the Buyback must ensure that their Form(s), along with the requisite documents, reach the Registrar of the Offer before 5.00 p.m. on the date of closure of the Buyback. Shareholders must also ensure that the credit of dematerialized Shares in the Company Depository Account must take place before 5:00 pm on the date of closure of the Buyback.
5. The Company will consider all the Shares validly tendered for the Buyback by shareholders, for acceptance under the Buyback.
6. Shareholders may submit the Form duly signed (by all shareholders in case the Shares are in joint names) at the address of the Registrar of the Offer along with the share certificate(s) / copy of DP instruction slip and other relevant documents as specified in the Letter of Offer. Multiple applications tendered by any shareholder shall be liable to be rejected. Also, multiple tenders from the same depository account or same registered folio shall also be liable to be rejected.
7. Shareholders may offer for Buyback their full holding or any part of their holding of Shares of the Company, as they desire.
8. The Company will not accept any Equity Shares offered for buyback which are under lock-in or where there exists any restraint order of a Court for transfer/ disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Shares is under dispute or otherwise not clear or where any other restraint subsists.
9. Where the Form is signed under Power of Attorney or by Authorized Signatory(ies) on behalf of a Company/ body corporate, the Power of Attorney/ Signing Authority along with the specimen signatures must have been previously registered with the Company. The registration serial number of such documents should be mentioned below the relevant signature. Where the relevant document is not so registered, a copy of the same duly certified by a Notary / Gazetted Officer should be enclosed with the Form.
10. In case one or more of the joint holders is deceased, the Form must be signed by all surviving holder(s) and submitted along with a certified or attested true copy of the Death Certificate(s). If the sole shareholder is deceased, the Form must be signed by the legal representatives of the deceased and submitted along with the certified or attested true copy of Probate/ Letters of Administration/ Succession Certificate and all other relevant documentation while tendering their Shares for the Buyback.
11. Where a joint shareholder is deceased, the Shares will be consolidated with the Shares, if any, held and tendered by the surviving shareholder(s) for the purpose of reckoning the aggregate number of Shares to be bought back from the surviving shareholders.
12. In case of any lacunae and/ or defect, incomplete information, late receipt or modifications in the documents/ Forms submitted, the Form(s) are liable to be rejected.
13. All the shareholders should provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the Form is being sent. Such documents may include (but not be limited to):

- No objection certificate from any lender, if the Shares in respect of which the Form is sent, were under any charge, lien or encumbrance.
- Duly attested Power of Attorney, if any person other than the shareholder has signed the Form.
- In case of companies, the necessary certified corporate authorizations (including Board and/or general meeting resolutions).

14. It is mandatory for the shareholders to indicate the bank account where consideration will be payable at the appropriate place in the Form.

15. Non-receipt of the LoF by, or accidental omission to dispatch the LoF to any person who is eligible to receive the Offer, shall not invalidate the Offer in any way.

16. In case of non-receipt of the LoF / Form:

- a. **In case the Shares are in dematerialized form:** An Eligible Shareholder may send an application in writing on plain paper stating name, address, number of Shares held Client ID number, DP Name/ID, beneficiary account number, number of Equity Shares tendered for the Buyback, bank account particulars for the payment of Buyback consideration etc. enclosing a photocopy of the delivery instruction in “Off-market” duly acknowledged by the DP, in favour of the depository account and other necessary documents. Shareholders must ensure that their Form(s), along with the requisite documents, reach the Registrar of the Offer before 5.00 pm on the date of closure of the Buyback. Shareholders must also ensure that credit of dematerialized Shares in the Company Depository Account must take place on or before the date of closure of the Buyback.
- b. **In case the Shares are in physical form:** An Eligible Shareholder may send an application in writing on a plain paper signed by all shareholders stating name, address, folio number, number of Equity Shares held, certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, bank account particulars for payment of consideration, etc. enclosing the original share certificate(s), copy of shareholders’ PAN card and other necessary documents. Shareholders must ensure that their Form(s), along with the requisite documents, reach the Registrar of the Offer before 5.00 pm on the date of closure of the Buyback.

17. For Shares held in the dematerialised form by Eligible Shareholders

- a. The Company has designated a Depository account named “SINCLAIRS HOTELS LIMITED-BUYBACK OFFER-OPERATED BY NICHE TECHNOLOGIES PVT LTD” with, in NSDL (‘Company Depository Account’). The beneficial owners are required to execute an off-market trade by submitting the Delivery Instructions for debiting his/her beneficiary account with their concerned Depository Participant (‘DP’). The date of execution entered in the delivery instruction should be on or after the date of opening of the Buyback and on or before the last date of submission of the Form to the Registrar of the Offer or on or before mailing the Form to the Registrar to the Buyback as the case may be, but not later than 5.00 p.m. on the date of closure of the Buyback. A photocopy of the Delivery Instructions or counterfoil of the Delivery Instructions duly acknowledged by the DP shall be attached to the Form while submitting the same. The beneficial owner may note that the Delivery Instructions to be made to their Depository Participant should be in the “Off-market trade” mode, and as per the details provided below:

DP Name	TRANS SCAN SEC. PVT LTD
DP ID Number	IN302496
Beneficiary Account Name	SINCLAIRS HOTELS LIMITED-BUYBACK OFFER-OPERATED BY NICHE TECHNOLOGIES PVT LTD
Beneficiary Account Number	10060588

/ Client ID Market	
Execution Date	On or before [●]

Please note that the aforementioned account shall be closed at the end of the day on the date of closure of the Buyback. Beneficial owners are requested to ensure the credit of their Shares to the aforementioned account before the closure of the aforementioned account.

- b. Shareholders having their beneficiary account in CDSL will have to use inter-depository instructions slip for the purpose of crediting their Shares in favour of the Company Depository Account. The ISIN of the Company is INE985A01014.
- c. If the Registrar to the Buyback does not receive the documents listed in the LoF by 5.00 p.m. on the date of closure of the Buyback, then, notwithstanding the credit of the Shares in the Company Depository Account, the Buyback will be deemed to have been rejected by such shareholder and the Shares tendered by such shareholder will be returned to such shareholder not later than [●] by way of a credit to the shareholder's depository account. Conversely, if the Shares are not credited to the Company Depository Account by 5.00 pm on the date of closure of the Buyback, then, notwithstanding the receipt of the documents listed above by the Registrar to the Buyback by or before 5.00 pm on the date of closure of the Buyback, the Buyback Offer will be deemed to have been rejected by such shareholder.
- d. In the event, that any Shares have to be returned to the shareholders and if the returned Shares are not credited to the shareholder's beneficiary account for any reason whatsoever, the said Shares will be rematerialized and kept in physical form with the Company in trust for the shareholders until the Company receives specific directions from the shareholders with regard to these Shares.
- e. The Company shall accept/ return the tendered shares from the Eligible Persons in the following manner:
 - In case all the Shares tendered for the Buyback are accepted by the Company, the consideration will be paid to the concerned shareholder as specified earlier.
 - In case all the Shares tendered for the Buyback are not accepted by the Company, then the Shares held in dematerialized form, to the extent not accepted for the Buyback will be returned to the beneficial owner to the credit of the beneficial owners depository account with their respective DP as per details furnished by the beneficial owner in the Form/ as per those received electronically from the shareholder's DP, under intimation to the first named beneficial owner by Registered/ Speed Post. The Shares shall be transferred not later than [●]. In the event that there is a conflict between the details provided in the Form and those received electronically from the shareholder's DP, the details received electronically shall prevail. However, the Shares so received are liable to be rejected and returned to the account as per the details provided electronically by the shareholder's DP.

18. For Shares held in the Physical form, by Eligible Shareholders.

- a. Eligible Shareholders holding Shares in physical form are required to enclose a copy of the PAN card and the original share certificate(s) while submitting the Form(s).
- b. Shares held in physical form to the extent not accepted for the Buyback will be returned to them after suitable splitting of share certificates, if any, in order to facilitate acceptance of share certificates tendered by them, through Registered/ Speed Post at the shareholders' sole risk.
- c. If the Registrar to the Buyback does not receive the documents listed above by 5.00 pm on the Date of Closure of the Buyback, then, notwithstanding the receipt of the share certificates, the Buyback offer will be deemed to have been rejected by such shareholder and the share certificates

shall be returned to such shareholder not later than [●]. Also, if the share certificates are not received by the Registrar to the Buyback by 5.00 pm on the date of closure of the Buyback, then, notwithstanding the receipt of the documents listed above by the Registrar to the Buyback by or before 5.00 pm on the date of closure of the Buyback, the Buyback Offer will be deemed to have been rejected by such shareholder.

19. For Shares held by Non-resident shareholders

- a. Non-resident shareholders (excluding FII) should also enclose a copy of the permission received by them from RBI if applicable, to acquire the Shares held by them in the Company.
- b. In case the Shares are held on repatriation basis, the non-resident shareholder should obtain and enclose a letter from its authorized dealer/ bank confirming that at the time of acquiring the said Shares, payment for the same was made by the non-resident shareholder from the appropriate account as specified by RBI in its approval or from out of funds remitted from outside India. In case the non-resident shareholder is not in a position to produce the said certificate, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the holder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Shares accepted under the Buyback.
- c. If any of the above stated documents, as applicable, are not enclosed along with the Form, the Shares tendered under the Buyback are liable to be rejected.

20. Mode of Payment of consideration to the shareholders:

- a. The payment of consideration for accepted tenders shall be made by the Company to the sole/ first shareholder, whose details are recorded with the Company/ DP as applicable. For shareholders who have opted for electronic mode of transfer, payment shall be made electronically through Direct Credit/ NEFT/ RTGS/ NECS (subject to availability of all information for crediting the funds) and other permissible modes. The payment to the shareholders would be done through various electronic modes including but not restricted to the below in the following order of preference as may be applicable.
 - **National Electronic Clearing System ('NECS')**- By NECS for shareholders having a bank account at the designated centers. This mode of payment of consideration amount would be subject to availability of complete bank account details including the MICR code, IFSC code, bank account number, bank name and branch name as appearing on a cheque leaf, from the Depositories.. The payment through NECS is mandatory for Shareholders having a bank account at any of the designated centres, except where the Shareholder, being eligible, opts to receive payment through Direct Credit or RTGS.
 - **Direct Credit**- Shareholders having bank accounts with the Escrow Agent, as mentioned in the Form, shall be eligible to receive payments through direct credit. Charges, if any, levied by the Escrow Agent for the same would be borne by the Company.
 - **Real Time Gross Settlement ('RTGS')**- Shareholders having a bank account at any of the RBI mandated centers and whose amount exceeds Rs. 2 Lakhs, have the option to receive the payment through RTGS. Such eligible Shareholders who indicate their preference to receive payment through RTGS are required to provide the Indian Financial System Code ('IFSC') code in the Form of Acceptance-cum-acknowledgement form. In the event the same is not provided, payment shall be made through NECS/other modes. Charges, if any, levied by the Escrow Agent for the same would be borne by the Company. Charges, if any, levied by the Shareholder's bank receiving the credit would be borne by the Shareholder.
 - **National Electronic Fund Transfer ('NEFT')**- Payment shall be undertaken through NEFT wherever the Shareholder's bank has been assigned the IFSC, which can be linked to a MICR,

- if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment will be made to the Shareholder through this method. The payments by way of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed above.
- b. The Shares lying to the credit of the Company Depository Account will be extinguished in the manner specified in the Regulations.
 - c. All documents sent by Shareholders and all remittances to Shareholders will be at their own risk. Shareholders are advised to adequately safeguard their interests in this regard.

21. NOTE ON TAXATION

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

21.1 CLASSIFICATION OF SHARES AND SHAREHOLDERS

- Based on the provisions of the Income Tax Act, 1961 ('IT Act') shares can be classified under the following categories:
 - Shares held as investment (Taxable under the head "Capital Gains")
 - Shares held as stock-in-trade (Taxable under the head "Business Income")
- Based on the provisions of the Income Tax Act, 1961 ('IT Act') shareholders can be classified under the following categories:
 - a. **Resident shareholders being**
 - Individuals, HUF, AOP and BOI
 - Others
 - b. **Non-resident shareholders being**
 - Non-Resident Indians (NRIs)
 - Foreign Institutional Investors (FIIs)
 - Others
 - Company
 - Other than Company

21.2 SHARES HELD AS INVESTMENT:

- (i) Capital Gains on buyback of shares are governed by the provisions of section 46A of the IT Act. As per the provisions of section 46A, buyback of shares would attract capital gains in the hands of shareholders subject to the provisions of section 48 of the IT Act.

(ii) **Resident Shareholders:**

- a. For Individuals, HUF, AOP and BOI,

Long Term Capital Gains ('LTCG') is taxable at lower of following:

1. @ 20% (with indexation)
2. @ 10% (without indexation) For Individuals, HUF, AOP and BOI,

Short Term Capital Gains (STCG) is taxable at applicable slab rates.

For computing capital gains, the benefit of basic exemption limit is allowable in case of resident individuals and HUF.

In addition to the above, surcharge @ 10% is leviable where the total income exceeds ` 1 crore. Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% are leviable in all cases.

- b. In case of any other persons except those mentioned in 21.2.(ii).a above:

Long Term Capital Gains ('LTCG') is taxable at lower of following:

1. @ 20% (with indexation)
2. @ 10% (without indexation)

Short Term Capital Gains (STCG) is taxable @ 30%.

In addition to the above, in the case of domestic companies, surcharge @ 10% is leviable where the total income exceeds Rs. 10 crores and @ 5% where the total income exceeds Rs. 1 crore. Further, in the case of assesses (other than domestic companies), surcharge @ 10% is leviable where the total income exceeds Rs. 1 crore. Also, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

(iii) Non resident shareholders

a. In case of FII's:

FII's are taxable in accordance 115AD of the Income Tax Act, as under.
LTCG would be taxable @ 10%
STCG would be taxable @ 30%

It may further be noted that for FII's, both - first proviso to section 48 of the Income Tax Act (providing for foreign exchange fluctuation benefit) and second proviso to section 48 of the Income Tax Act (providing for indexation benefit) would not apply.

b. For NRI's:

LTCG would be taxable @ 10% (without indexation)

However, it is pertinent to note that for section 115E to apply, it is imperative that the Shares of the Company were acquired in convertible foreign exchange and such Shares were held for at least twelve months prior to the date of acceptance of the Shares tendered in the Buyback Offer.

STCG would be taxable at slab rates

In addition to the above, surcharge @ 10% is leviable where the total income exceeds Rs. 1 crore. Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% are leviable in all cases.

Please note that in case of NRIs not covered within the ambit of the above, their taxation shall be as applicable for other non-resident shareholders (i.e. paragraph 21.2.(iii).d below).

c. In case of Foreign Companies

LTCG would be taxable, depending on whether the transaction is in foreign currency:

- Where transaction is in foreign currency, LTCG would be taxable @ 20% (without indexation) – however, benefit of foreign exchange fluctuation as per first proviso to section 48 of the Income Tax Act shall be available.
- Where transaction is not in foreign currency, then benefit of indexation would apply and tax would be calculated at lower of:
 - @ 20% (with indexation)
 - @ 10% (without indexation)

STCG would be taxable @ 40%.

In addition to the above, surcharge @ 5% is leviable where the total income exceeds Rs. 10 crore and @ 2% where the total income exceeds Rs. 1 crore. Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% are leviable in all cases.

d. In case of all other non-resident assesses, except those mentioned in paragraph 21.2.(iii).a, 21.2.(iii).b and 21.2.(iii).c above:

LTCG would be taxable, depending on whether the transaction is in foreign currency:

- Where the Shares are purchased in foreign currency, LTCG would be taxable @ 20% (without indexation) – however, benefit of foreign exchange fluctuation as per first proviso to section 48 of the Income Tax Act shall be available in such a case.
- Where the Shares are not purchased in foreign currency, then benefit of indexation would apply in case of LTCG and tax would be calculated at lower of:
 - @ 20% (with indexation)
 - @ 10% (without indexation)

STCG would be taxable as per the slab rates or maximum marginal rate as applicable.

In addition to the above, surcharge @ 10% is leviable where the total income exceeds Rs. 1 crore. Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% are leviable in all cases.

21.3 SHARES HELD AS STOCK IN TRADE

(i) If the Shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the Income Tax Act would not apply.

(ii) Resident Shareholders:

- a. For individuals, HUF, AOP, BOI, profits would be taxable at slab rates
- b. For persons other than individuals, HUF, AOP, BOI profits would be taxable @ 30%. No benefit of indexation by virtue of period of holding would be available in any case. In addition to the above, in the case of domestic companies, surcharge @ 10% is leviable where the total income exceeds Rs. 10 crores and @ 5% where the total income exceeds Rs. 1 crore. In all other cases, surcharge @ 10% is leviable where the total income exceeds Rs. 1 crore. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

(iii) Non Resident Shareholders:

- a. For non-residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA
- b. Where DTAA provisions are not applicable:
 - For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates
 - For foreign companies, profits would be taxed in India @ 40%
 - or other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%

In addition to the above, in the case of foreign companies, surcharge @ 5% is leviable where the total income exceeds Rs. 10 crores and @ 2% where the total income exceeds Rs. 1 crore. In all other cases, surcharge @ 10% is leviable where the total income exceeds Rs. 1 crore. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

21.4 TAX DEDUCTION AT SOURCE

(i) In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.

(ii) In case of FII's

- a. As per the provisions of Section 196D(2) of the Income Tax Act, no deduction of tax at source is required to be made by the Company, from income by way of capital gains arising from transfer of listed securities payable to a FII as defined in section 115AD of the Income Tax Act.
- b. For this purpose, the FII should provide the information as requested in the Tender Form, stating the following:
 - It's residential status
 - It does not have a permanent establishment in India
 - The amount received by it as a part of the Buyback constitutes capital gains and does not constitute business income for it
 - Similar gains, if any, have been assessed as capital gains by the income-tax authorities in India in the past.
- c. In absence of certification to the effect that the income of the FII from sale of Shares is in the nature of capital gains, the Company shall deduct tax at the prescribed rate (including applicable surcharge and education cess) under the Income Tax Act, on the gross consideration payable.

(iii) In case of Non-Resident Shareholders, including NRIs

- a. As per the provisions of section 195(1) of the Income Tax Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at the prescribed rate (including applicable surcharge and education cess).
- b. The consideration payable under the Buyback Offer would be chargeable to tax as capital gains or business profits, as the case may be.
- c. In order to determine the tax implications of Buyback Offer, it is advised to consult your tax advisors for the applicable tax provisions including the treatment that may be given by your respective assessing officers in your case, and the appropriate course of action that you should take including submitting any documents to the Company for the purpose of deduction of tax.

- d. The Company shall deduct tax at the prescribed rates (including applicable surcharge and education cess) for each category of shareholder, on the gross consideration payable to such non-resident shareholders, based on the information submitted along with the Tender Form.
- e. In case of any ambiguity, incomplete or conflicting information or information not being provided to the Company by the Non-Resident Shareholder, the tax shall be deducted at the maximum rate prescribed for such non-resident shareholder.
- f. If the Non-Resident Shareholder requires the Company not to deduct tax, or to deduct tax at a lower rate, or on a lower amount, for any reason, they would need to obtain a certificate from the Income- tax authorities, either under section 195(3) or under section 197 of the Income Tax Act, and submit the same to Company while submitting the Tender Form. In absence of such certificate from the Income-tax authorities, the Company shall deduct tax on gross consideration at the prescribed rate of tax.
- g. Where Non-Resident Shareholder is tax resident of a country which has entered into a DTAA with India, it may be possible for the Non-Resident Shareholder to avail the beneficial provisions, if any, under the DTAA. If the Non-Resident Shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person from the tax authorities of the country of which such person is the tax resident and prescribed Form 10F, along with all the other prescribed information, should be submitted along with the Tender Form. In absence of such certificate, the Company shall deduct the tax as per paragraph 21.4.(iii).a to 21.4.(iii).f above.
- h. In case of a NRI, where it is claimed that he is governed by the provisions of section 115E of the Income Tax Act, he should submit the relevant information as requested in the Tender Form, along with documents in support thereof and to the satisfaction of the Company. In case the information and documents are not submitted or the Company is not satisfied regarding the same, then the rate of tax would be that as applicable to any other non-residents.
- i. These can either be documents proving that the Shares were purchased by the Shareholders either from foreign remittances or from funds lying in the NRE account or FCNR account and that these Shares have been declared as such in the return of income filed by the shareholders.

(iv) Other Information:

- a. For the purpose of determining as to whether the capital gains are short-term or long-term in nature:
 - As per the provisions of the Income Tax Act, where a capital asset (being equity shares of the Company being bought back in the instant case) is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short-term capital asset, and the gains arising therefrom shall be taxable as short-term capital gains.
 - Similarly, where a capital asset is held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long-term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains.
 - The Company will rely on the information provided by the Equity Shareholder as to whether the capital asset being equity shares of the Company constitute short-term or long-term capital asset for the Shareholder, for the purpose of deduction of taxes at source.
 - Where the information provided by the Equity Shareholder is ambiguous, incomplete or conflicting or the information is not available with the Company regarding the same, the capital gain shall be assumed to be short-term in nature.

- b. If the Company becomes liable to pay interest for delay in release of Buyback consideration to non-resident shareholders, such shareholders will be required to submit a certificate for deduction of tax at Nil/ lower rate from the Income-tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Company before remitting the interest, failing which the Company will arrange to deduct tax at the applicable rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act, on the interest payment.
- c. If the Company becomes liable to pay interest for delay in release of Buyback consideration to resident shareholder, tax will be deducted on the interest component exceeding Rs 5,000/- at the applicable rates. If the resident shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such Shareholders will be required to submit a certificate for deduction of tax at Nil /lower rate from the Income-tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Company.
- d. Non-Resident Shareholders (including FIIs) are required to submit their PAN for income-tax purposes. In case of Non-Residents (including FIIs), if PAN is not submitted or is invalid or does not belong to the Shareholder, Company will deduct tax @ 20% (twenty percent) or at the rate in force or at the rate specified in the relevant provisions of the Income Tax Act, whichever is higher, in accordance with provisions of section 206AA of the Income Tax Act.
- e. The Company shall issue a certificate in the prescribed form to the Shareholders resident and non-resident) who have been paid the consideration after deduction of taxes on the same certifying the amount of tax deducted and other prescribed particulars.
- f. For the purpose of computing the tax deduction at source, Shareholders who wish to tender their Shares must submit the information as required along with the Tender Form.
- g. The tax deducted under this Offer is not the final liability of the Shareholders or in no way discharge the obligation of Shareholders to disclose the amount received in pursuant to this Buyback Offer.
- h. If for any reasons, the income-tax department raises a vicarious liability on the Company and seeks to recover the tax on the transaction (which is actually tax liability of the Shareholder) from the Company, the Shareholder agrees to indemnify the Company for the same

22. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Regulations, as under:

The Board of Directors of the Company confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or Preference Shares or repayment of term loans to any financial institutions or banks.

The Board of Directors of the Company hereby confirms that based on such full inquiry conducted into the affairs and prospects of the Company, and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Act, the Board of Directors has formed an opinion that:

- a. That immediately following the date of this Board Meeting and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company can be found unable to pay its debts;
- b. That as regards the Company's prospects for the year immediately following the date of this Board Meeting as well as the year immediately following the date on which the results of the Postal Ballot

will be declared approving the Buy Back of shares and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting as well as the year immediately following the date on which the results of the Postal Ballot will be declared approving the Buy Back of shares;

- c. In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities);
- d. That the debt equity ratio of the Company after the Buy Back will be within the limit of 2:1 as prescribed under the Act.

This declaration is made and issued under the authority of the Board of Directors in terms of the resolution passed at the meeting held on September 2, 2013.

For and on behalf of the Board of Directors of **Sinclairs Hotels Limited**,

Sd/-
Kunal Bose
Director

Sd/-
Navin Chand Suchanti
CEO & Managing Director

23. AUDITORS CERTIFICATE

The text of the report dated September 2, 2013 received from M/s. S R Batliboi & Co.LLP, the Statutory Auditors of the Company addressed to the Board of Directors is given below.

To,
The Board of Directors
Sinclair's Hotels Limited
Pressman House, 10A Lee Road,
Kolkata- 700 020

Dear Sirs,

Sub: Proposed Buy Back of Equity Shares of Sinclair's Hotels Limited ("**Company**")

1. At the request of the Company, vide their letter dated August 13, 2013, we, the statutory auditors of Sinclair's Hotels Limited ("the Company"), having its registered office at Pressman House, 10A Lee Road, Kolkata-700 020, are providing the certificate on the proposed Buyback of Equity Shares of the Company. The certificate is required for purpose of inclusion of the same a) in the explanatory statement to be annexed to the notice for general meeting for authorizing buyback by passing a special resolution and b) in the letter of offer for buy-back of its shares by the Company and for submission to the Securities and Exchange Board of India (SEBI).
2. We have been informed that the Buy Back Committee in their meeting held on September 2, 2013 have decided to Buy Back Company's shares as allowed under Section 77A of the Companies Act, 1956 at a price of Rs. 390 per share. In terms of the requirements of Clause (xi) of Schedule II, Part A of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, we confirm as under:

- a. We have enquired into the state of affairs of the Company in relation to its audited accounts for the year ended 31st March, 2013 as approved by the Board of Directors.
- b. The amount of permissible capital payment towards Buy Back of equity shares (including premium) in question as ascertained below in our view has been properly determined in accordance with Section 77 A(2)(c) of the Companies Act, 1956:

Particulars	Amount (Rs. In lacs)
Paid-up Share Capital as on 31.03.2013	606.52
Free Reserves as on 31.03.2013	7156.50
Total	7763.02
Maximum amount permitted for Buy Back (i.e. 25% of the Total Paid-up Capital and Free Reserves)	1940.76

3. Based on the representations made by the Company and other information and explanations given to us, which to our best of knowledge and belief were necessary for this purpose, we report that we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Buy Back Committee in their meeting held on 2nd September, 2013 is unreasonable in the circumstances in the present context.
4. The completeness of the above details is the responsibility of the Company's management. Our responsibility is to perform the above-mentioned procedures. We have performed the above mentioned procedures in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The above mentioned procedures include examining evidence supporting the particulars in the Statement on a test basis. Our procedures do not include verification of compliance with any Act, guidance, notifications or any other relevant statute thereof. Our scope of work did not involve us performing audit tests for the purpose of expressing an opinion of the fairness or accuracy of any of the financial information. We have not performed an audit, the objective of which would be the expression of an opinion on the specified elements. Accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion. Apart from the compliance with amount of permissible capital payment computed as above, we make no representations regarding compliance with the Company law or any other statutory requirements.
5. Compliance with the provisions of the Act and Rules is the responsibility of the Company's management. Our responsibility is to verify the factual accuracy based on our review procedures. This report is intended solely for your information and for purpose of inclusion of the same a) in the explanatory statement to be annexed to the notice for general meeting for authorizing buyback by passing a special resolution, b) in the letter of offer for buy-back of its shares by the Company and is not to be used, referred or distributed for any other purpose without our prior written consent. Nothing contained in this report should be construed to be representation as to the future. We do not accept or assume any liability or duty of care for any other purpose, save where expressly agreed by our prior consent in writing.

Yours Faithfully,
For S R Batliboi & Co.LLP
Chartered Accountants
Firm Registration Number- 301003E
Sd/-
Per Bhaswar Sarkar
Partner
Membership No. 55596

Place- Kolkata
Date- 02.09.2013

24. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of the Company at Pressman House, 10A, Lee Road, Kolkata- 700 020 between 10 a.m. and 5.00 p.m. on all working days (Monday to Friday) during the offer period:

- 1) Certificate of Incorporation of Sinclairs Hotels Limited.
- 2) Memorandum and Articles of Association of Sinclairs Hotels Limited.
- 3) Annual reports of SHL for the financial years ended March 31, 2011, 2012 and 2013.
- 4) Copy of resolution passed by the Buyback Committee of Board of Directors at their meeting held on September 2, 2013 approving the Buyback.
- 5) Copy of the Notice to the Shareholders along with Explanatory Statement dated September 2, 2013.
- 6) Certificate dated September 2, 2013 received from M/s. S R Batliboi & Co.LLP, the Statutory Auditors of the Company, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations.
- 7) Copy of Special resolution passed by the shareholders of the Company by Postal Ballot, the results of which were announced on October 15, 2013.
- 8) Certificate from M/s. S M Daga & Co., Chartered Accountant dated October 15, 2013 certifying that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback, in accordance with the Regulations.
- 9) Copy of Escrow Agreement dated October 21, 2013 between SHL, VCAPL and HDFC Bank.
- 10) Copy of Declaration of solvency and an affidavit verifying the same as per Form 4A of the Companies (Central Governments) General Rules and Forms, 1956.
- 11) Confirmation letter by the Bankers dated October 23, 2013 that the Escrow Account has been opened and Escrow Amount has been deposited.
- 12) Copy of Public Announcement dated October 16, 2013 published in the newspapers on October 17, 2013 regarding Buyback of Equity Shares.
- 13) SEBI Comments Letter dated [●] issued in terms of the Buyback Regulations.

25. DETAILS OF THE COMPLIANCE OFFICER

Mr B L Soni, General Manager – Finance & Accounts
M/s. Sinclairs Hotels Limited
Pressman House,
10A Lee Road,
Kolkata- 700 020
Tel: 033 – 40310810/11; Fax: 033 – 40310813

Investors may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10.00 am. to 5.00 pm. on all working days except holidays.

26. DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/ BENEFICIAL OWNERS

1. In case of any grievances relating to the Buyback (i.e. non-receipt of the Buyback consideration, Share certificate, demat credit, etc.) the investor can approach the Compliance Officer and/or Registrar to the Buyback for redressal.
2. If the Company makes any default in complying with the provisions of Section 77A of the Act or any rules made there-under, or any regulation or under clause (f) of sub-section (2) of Section 77A of the Act, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Act.
3. The address of the concerned office of the Registrar of Companies is as follows:

Niche Technologies Private Limited

D-511, Bagree Market,
71 BRB Bose Road,
Kolkata- 700 001
Tel: 033 - 22343576/ 22357270/7271
Fax: 033 - 2215 6823

27. DETAILS OF INVESTOR SERVICE CENTRES

In case of any query, the shareholders may contact the Registrar of the Offer on any day during the Offer period, except Saturday, Sunday and Public holidays between 10.00 AM and 5.00 PM at the following address:

NICHE TECHNOLOGIES PRIVATE LIMITED

Unit: Sinclairs Hotels Limited- Buy Back

Address: D-511, Bagree Market,
71, B.R.B. Basu Road,
Kolkata- 700 001

Tel No.: (033) 2235 7271/ 7270

Fax: (033) 2215 6823

E-mail: nichetechpl@nichetechpl.com

Contact Person: Mr. S Abbas

28. DETAILS OF THE MANAGER TO THE BUYBACK

The Company has appointed the following as Manager to the Buyback:



MANAGER TO THE OFFER:

VC CORPORATE ADVISORS PRIVATE LIMITED

SEBI REGN NO: INM000011096

(Contact Person: Mr. Anup Kumar Sharma)

31 Ganesh Chandra Avenue, 2nd Floor,
Suite No -2C, Kolkata-700 013

Phone No : (033) 2225-3940

Fax : (033) 2225-3941

Email: mail@vccorporate.com

29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE LETTER OF OFFER

As per Regulation 19(1)(a) of the Regulations, the Directors of the Company accept full and final responsibility for the information contained in this Letter of Offer. The Letter of Offer is issued under the authority of the Board of Directors through resolution passed by the Committee of Buyback of the Company at their meeting held on September 2, 2013

For and on behalf of the Board of Directors of Sinclairs Hotels Limited

Sd/-
Kunal Bose
Director

Sd/-
Navin Chand Suchanti
CEO & Managing Director

Place: Kolkata

Date: October 23, 2013

**FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT
TENDER /OFFER FORM
(FOR SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM)**

From: Name: _____ Address: _____ _____ Tel: _____ Fax: _____ Email: _____ To, The Board of Directors Sinclairs Hotels Limited C/o Niche Technologies Private Limited, D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata- 700 001 Tel No.: (033) 2235 7271/ 7270 Fax: (033) 2215 6823	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="4" style="text-align: center;">BUYBACK OFFER</th> </tr> <tr> <td style="width: 60%;">Opens On</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">[●]</td> <td style="width: 20%;"></td> </tr> <tr> <td>Closes On</td> <td></td> <td style="text-align: center;">[●]</td> <td></td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="4" style="text-align: left;">For Registrar/ Collection Centre Use</th> </tr> <tr> <th style="width: 15%;">Centre Code</th> <th style="width: 20%;">Inward No.</th> <th style="width: 15%;">Date</th> <th style="width: 50%;">Stamp</th> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="4" style="text-align: center;">Status: Please tick Appropriate</th> </tr> <tr> <td style="width: 15%;"></td> <td style="width: 15%;">Individual</td> <td style="width: 15%;"></td> <td style="width: 55%;">FII</td> </tr> <tr> <td></td> <td>Foreign Company</td> <td></td> <td>Non Resident Indian/OCB</td> </tr> <tr> <td></td> <td>Body Corporate</td> <td></td> <td>Bank/Financial Institution</td> </tr> </table>	BUYBACK OFFER				Opens On		[●]		Closes On		[●]		For Registrar/ Collection Centre Use				Centre Code	Inward No.	Date	Stamp					Status: Please tick Appropriate					Individual		FII		Foreign Company		Non Resident Indian/OCB		Body Corporate		Bank/Financial Institution
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Dear Sirs,

Date _____

Ref: Letter of Offer dated [●], 2013 to Buyback Shares upto 4,95,222 Equity shares of Rs. 10/- each of Sinclairs Hotels Limited at price of Rs. 390/- per Equity Share

- 1) I/ We (having read and understood the Letter of Offer dated [●],2013 hereby tender / offer my/our shares in response to the Buyback Offer on the terms and conditions set out below and in the Letter of Offer.
- 2) I / We authorise the Company to buy back the shares offered (as mentioned below) and to issue instruction to Niche Technologies Private Limited to extinguish the shares through an off market transfer.
- 3) I / We hereby warrant that the shares comprised in this tender offer are offered for the Buyback by me/ us free from all liens, equitable interest, charges and encumbrance.
- 4) I / We declare that there are no restraints / injunctions or other order of any nature which limits / restricts in any manner my / our right to tender shares for the Buyback and that I / we am / are legally entitled to tender the shares for the Buyback.
- 5) I / we agree that the Company will pay the Buy Back Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder.
- 6) I/ We undertake to return to the Company any Buyback consideration that may be wrongfully received by me/us.

7) I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Act and the Regulations.

8) Details of shares held and offered for the Buyback:

	In Figures	In Words
Number of Shares held		
Number of shares Entitled		
Number of Shares offered for the BuyBack		

9) Details of account with Depository Participant

Name of the Depository (tick whichever is applicable)	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
Name of the Depository Participant	
DP ID	
Client ID with the DP	

10). I / We hereby declare that we have instructed the above-mentioned DP, with whom, I / we hold an account to transfer the number of shares as mentioned under clause 8 above to SINCLAIRS HOTELS LIMITED-BUYBACK OFFER-OPERATED BY NICHE TECHNOLOGIES PVT LTD (Client Id No. 10060588) held with TRANS SCAN SEC. PVT LTD (DP ID. No. IN302496).

A copy of delivery instruction issued to the DP, duly endorsed by the DP is enclosed.

11) Details of Other Documents (please tick appropriately), if any, enclosed:

- Corporate Authorizations
- Death Certificate
- Succession Certificate
- Power of Attorney
- Any Other, Please specify _____

12) Tax Certification (NRIs/OCBs/FIIs/ Non-Resident Shareholders Only)

<p>If you are a NRI, OCB or an FII or a non-resident shareholder, you should certify whether the Shares held by you are held on investment/capital account or on trade account. Please refer to the Letter of Offer regarding tax to be deducted at source. Shareholders are also advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.</p>
<p>I/We certify that the Shares referred to in clause 8 of this Form of Acceptance cum Acknowledgment are held:</p> <p><input type="checkbox"/> on investment/capital account <input type="checkbox"/> on trade account/to be taxed as Business Profits</p>
<p>I/We certify that the tax deduction on the Buyback consideration for Shares referred to in clause 8 of this Form of Acceptance cum Acknowledgment is to be deducted on account of:</p> <p><input type="checkbox"/> short term gains <input type="checkbox"/> long term gains <input type="checkbox"/> Business Profits</p>
<p>Order from Income-tax authorities enclosed specifying (if applicable):</p> <p><input type="checkbox"/> Non deduction of tax at source <input type="checkbox"/> Deduction at lower rate</p>
<p>I/ We have enclosed the following (if applicable):</p> <p><input type="checkbox"/> Evidence of eligibility for claiming any double tax treaty benefit</p>
<p>I/ We have enclosed the following (if applicable):</p> <p><input type="checkbox"/> Evidence of eligibility for claiming any double tax treaty benefit</p> <p>Applicable only for FII shareholders:</p> <p><input type="checkbox"/> The FII hereby undertakes that: (a) it has a valid tax residency certificate; (b) it does not have a permanent establishment in India; and (c) the amount received by it as a part of the Offer constitutes capital gains and does not constitute business income for it and that similar gains (if any) have been taxed</p>

as capital gains by the tax authorities in India in the past (Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and all such other relevant documents)

The FII hereby undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the FII in relation to the consideration paid by the Company to the FII in the Buyback.

Applicable only for non-residents other than FIIs:
 The shareholder hereby undertakes that the Double Taxation Avoidance Agreement between India and _____ [please insert the applicable jurisdiction] is applicable to it. [Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and any other documents as applicable].

The shareholder hereby undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the shareholder in relation to the consideration paid by the Company to such shareholder in the Buyback.

The shareholder hereby undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the shareholder in relation to the consideration paid by the Company to such shareholder in the Buyback.

13) Details of Bank Account of the Sole / First Shareholder to be incorporated in the consideration warrant.
 (To be mandatorily filled)

Name of the Bank	
Address	
Branch and City	
Account Number	
Type of Account	
MICR Code	
IFSC Code (For RTGS/NEFT)	

14) Shareholder(s) Details

	Sole/First Shareholder	Second Shareholder (if any)	Third Shareholder (if any)
Name in Full			
Signature*			
PAN			
Address of the			
Sole/First Shareholder			
Telephone No/ E-mail id			

* Corporate must affix Rubber Stamp

SINCLAIRS HOTELS LIMITED BUY-BACK OFFER ACKNOWLEDGEMENT
 (to be filled by the shareholder)

Received
 From Mr./Ms./M/s _____
 Address _____

DP ID: _____

Client ID: _____

No. of Shares Offered for the Buyback: (In Figures) _____; (In Words)

Stamp of Collection Centre

INSTRUCTIONS

1. This Offer will open on [●] and close on [●].
2. This Tender / Offer Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer.
3. For the purpose of the Buyback, the Company has opened an account with a Depository Participant (DP) as detailed below:

DP Id. Number	IN302496
DP Name	TRANS SCAN SEC. PVT LTD
Client Id. Number	10060588
Client Account Name	SINCLAIRS HOTELS LIMITED-BUYBACK OFFER-OPERATED BY NICHE TECHNOLOGIES PVT LTD

4. Shareholders of the Company who wish to tender / offer their shares in response to this Buyback Offer should deliver the following documents so as to reach before the close of business hours at the address of the Registrar of the Offer on or before 5.00 P.M. by [●].
5. The relevant Tender / Offer Form duly signed (by all shareholders in case the shares are in joint names) in the same order in which they hold the shares.
6. Copy of delivery instruction issued by shareholders to their DP for transferring the shares tendered for Buyback, to the Company's DP account with Trans Scan Sec. Pvt. Ltd. **Copy of the delivery instruction should be duly endorsed by the DP of shareholder**, to whom the original delivery instruction should be handed over.
7. In the delivery instruction please use the "For Off-Market Trades (Receiver Details)" box. Fill in "Trans Scan Sec. Pvt. Ltd." against DP Name, "(IN302496)" against the DP ID and "(10060588)" against Client ID. The date of execution entered in the delivery instruction should be after the date of opening of the offer and on or before the last date of submission of the Tender / Offer Form to the Collection Centres or on or before the date of mailing of the Tender / Offer Form to the Registrar to the Offer, as the case may be, but not in any case later than the date of Closure of the Offer
8. In case of non-receipt of this Letter of Offer, shareholders may send their application in plain paper in writing signed by all shareholders, stating, name, address, number of shares held, client Id number, DP name, DP Id number, number of shares tendered for Buy-back, bank account details together with a copy of the delivery instruction issued to the DP (duly endorsed by the DP) and other relevant documents to the Registrar to the Buyback, Niche Technologies Private Limited.
9. Shareholders should also provide all relevant documents in addition to the above documents. Such may include (but not limited to):
 - Duly attested Power of Attorney, if any person other than the shareholder has signed the relevant Tender / Offer Form.
 - Duly attested death certificate / succession certificate in case any shareholder has expired.

- Necessary corporate authorizations, such as Board Resolutions, etc., in case of companies.

10. Shareholders to whom the Offer is made are free to tender / offer shares to the extent of their entitlement in whole or in part or in excess of their entitlement.

11. It is mandatory for shareholders to indicate the bank account details to which the consideration would be payable at the appropriate place in the Tender / Offer Form.

12. All documents sent by shareholders will be at their own risk. Shareholders of the Company are advised to safeguard adequately their interests in this regard.

Note: Multiple tenders from the same depository account or same registered folio may be liable to be rejected

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUY-BACK OFFER SHOULD BE ADDRESSED TO THE REGISTRAR TO THE BUYBACK, NICHE TECHNOLOGIES PRIVATE LIMITED QUOTING YOUR CLIENT ID & DP ID.

**FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT
TENDER/OFFER FORM
(FOR SHAREHOLDERS HOLDING IN PHYSICAL FORM)**

From: Name: _____ Address: _____ _____ _____ Tel: _____ Fax: _____ Email: _____ To, The Board of Directors Sinclairs Hotels Limited C/o Niche Technologies Private Limited, D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata- 700 001 Tel No.: (033) 2235 7271/ 7270 Fax: (033) 2215 6823	BUYBACK OFFER												
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Dear Sirs,

Date _____

Ref: Letter of Offer dated [●], 2013 to Buyback Shares upto 4,95,222 Equity shares of Rs. 10/- each of Sinclairs Hotels Limited at price of Rs. 390/- per Equity Share

- 1) I/We (having read and understood the Letter of Offer dated [●], 2013) hereby tender / offer my/our shares in response to the Buy-back Offer on the terms and conditions set out below and in the Letter of Offer.
- 2) I / We authorise the Company to buy back the shares offered and as a consequence to extinguish the share certificates.
- 3) I / We hereby warrant that the shares comprised in this tender / offer are offered for the Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- 4) I / We declare that there are no restraints / injunctions or other order of any nature which limits / restricts in any manner my / our right to tender shares for the Buyback and that I / we am / are legally entitled to tender the shares for the Buyback.
- 5) I / We agree that the Company is not obliged to accept any shares offered for the Buyback where loss of share certificates has been notified to the Company.
- 6) I / We agree that the Company will pay any Buyback consideration only after due verification of the validity of the documents and signatures and that the consideration may be paid to the first named shareholder.
- 7) I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me/us.
- 8) I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to affect the Buyback in accordance with the Act and the Regulations.
- 9) I/ We authorize the company to split the share certificate and issue new consolidated certificate for the unaccepted shares in case the shares accepted by the Company are less than the shares tendered in the Buyback due to oversubscription.
- 10) Details of shares held and offered for the Buyback:

	In Figures	In Words
Number of Shares held		
Number of shares Entitled		
Number of Shares offered for Buy-Back		

11) Details of Share Certificate(s) Enclosed

Total No. of Share Certificates submitted

Sr. No	Folio No.	Share Certificate No.	Distinctive Nos		No. of Shares
			From	To	
1.					
2.					
3.					
4.					
5.					
Total					

In case the number of folios and share certificates enclosed exceed 5 nos., please attach a separate sheet giving details in the same format as above.

12) Details of Other Documents (please tick appropriately), if any, enclosed:

- Corporate Authorizations
- Death Certificate
- Succession Certificate
- Power of Attorney
- Any Other, Please specify _____

13) Tax Certification (NRIs/OCBs/FIIs/ Non-Resident Shareholders Only)

<p>If you are a NRI, OCB or an FII or a non-resident shareholder, you should certify whether the Shares held by you are held on investment/capital account or on trade account.</p> <p>Please refer to the Letter of Offer regarding tax to be deducted at source. Shareholders are also advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.</p> <p>I/We certify that the Shares referred to in clause 8 of this Form of Acceptance cum Acknowledgment are held:</p>
<p><input type="checkbox"/> on investment/capital account <input type="checkbox"/> on trade account/to be taxed as Business Profits</p>
<p>I/We certify that the tax deduction on the Shares referred to in clause 8 of this Form of Acceptance cum Acknowledgment is to be deducted on account of:</p> <p><input type="checkbox"/> short term gains <input type="checkbox"/> long term gains <input type="checkbox"/> Business Profits</p>
<p>Order from Income-tax authorities enclosed specifying (if applicable):</p> <p><input type="checkbox"/> Non deduction of tax at source <input type="checkbox"/> Deduction at lower rate</p>
<p>I/ We have enclosed the following (if applicable):</p> <p><input type="checkbox"/> Evidence of eligibility for claiming any double tax treaty benefit</p>
<p>I/ We have enclosed the following (if applicable):</p> <p><input type="checkbox"/> Evidence of eligibility for claiming any double tax treaty benefit</p>
<p>Applicable only for FII shareholders: <input type="checkbox"/> The FII hereby undertakes that: (a) it has a valid tax residency</p>

certificate; (b) it does not have a permanent establishment in India; and (c) the amount received by it as a part of the Offer constitutes capital gains and does not constitute business income for it and that similar gains (if any) have been taxed as capital gains by the tax authorities in India in the past (Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and all such other relevant documents)

The FII hereby undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the FII in relation to the consideration paid by the Company to the FII in the Buyback.

Applicable only for non-residents other than FIIs:

The shareholder hereby undertakes that the Double Taxation Avoidance Agreement between India and _____ [please insert the applicable jurisdiction] is applicable to it. [Note: Please enclose a certificate of tax residency from the appropriate authority of the relevant country and any other documents as applicable.]

The shareholder hereby undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the shareholder in relation to the consideration paid by the Company to such shareholder in the Buyback.

The shareholder hereby undertakes to indemnify the Company against any and all direct losses, including reasonable costs and expenses incurred in respect thereof, arising out of or in connection with any vicarious liability on the Company raised by the tax department for any tax recoverable from the shareholder in relation to the consideration paid by the Company to such shareholder in the Buyback.

14) Details of Bank Account of the Sole / First Shareholder to be incorporated in the consideration warrant. (To be mandatorily filled)

Name of the Bank	
Address	
Branch and City	
Account Number	
Type of Account	
MICR Code	
IFSC Code (For RTGS/NEFT)	

14) Shareholder(s) Details (Signature(s) as per specimen recorded with the Company):

	Sole/First Shareholder	Second Shareholder (if any)	Third Shareholder (if any)
Name in Full			
Signature*			
PAN			
Address of the			
Sole/First Shareholder			
Telephone No/ E-mail id			

* Corporate must affix Rubber Stamp

SINCLAIRS HOTELS LIMITED BUY-BACK OFFER ACKNOWLEDGEMENT

(to be filled by the shareholder)

Received

From Mr./Ms./M/s _____

Address _____

DP ID: _____

Client ID: _____

No. of Shares Offered for the Buyback: (In Figures) _____; (In Words)

Stamp of Collection Centre

INSTRUCTIONS

1. This Offer will open on Monday, [●] and close on [●]
2. This Tender / Offer Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer.
3. Shareholders of the Company who wish to tender / offer their shares in response to this Buyback Offer should deliver the following documents so as to reach before the close of business hours at the office of the Registrar of the Offer on or before 5.00 PM by [●].
 - The relevant Tender / Offer Form duly signed (by all shareholders in case shares are in joint names) in the same order in which they hold the shares
 - Original share certificates
4. Shareholders should also provide all relevant documents in addition to the above documents. Such may include (but not limited to):
 - Duly attested Power of Attorney if any person other than the shareholder has signed the relevant Tender / Offer Form.
 - Duly attested death certificate / succession certificate in case any shareholder has expired.
 - Necessary corporate authorizations, such as Board Resolutions, etc., in case of companies.
5. Shareholders to whom the Offer is made are free to tender / offer shares to the extent of their entitlement in whole or in part or in excess of their entitlement.
6. In case of non-receipt of this Letter of Offer, shareholders may send their application in plain paper in writing signed by all shareholders, stating folio number, name, address, number of shares held, share certificate number, distinctive numbers, number of shares tendered for the Buyback, bank account details together with the original share certificates and other relevant documents to the Registrar to the Buyback Offer.
7. It is mandatory for shareholders to indicate the bank account details to which the consideration would be payable at the appropriate place in the Tender / Offer Form.
8. All documents sent by shareholders will be at their own risk. Shareholders of the Company are advised to safeguard adequately their interests in this regard.

Note: Multiple tenders from the same depository account or same registered folio may be liable to be rejected

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK OFFER SHOULD BE ADDRESSED TO THE REGISTRAR TO THE BUYBACK, NICHE TECHNOLOGIES PRIVATE LIMITED QUOTING YOUR FOLIO NO.