PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF

SINCLAIRS HOTELS LIMITED

Registered Office: 56A, Mirza Ghalib Street, Kolkata 700 016

This Public Announcement ("**PA**") is being issued by VC Corporate Advisors Private Limited ("**VCAPL**" or "**Manager to the Offer**") to the shareholders of Sinclairs Hotels Limited ("**Target Company**") on behalf of Xander Investment Holding X, Limited ("**Acquirer**") pursuant to and in compliance with Regulations 10, 12 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred to as "**Regulations**").

1. BACKGROUND TO THE OFFER

1.1 This open offer ("**Offer**") is being made by the Acquirer to the public shareholders of the Target Company. The Acquirer is a limited liability company incorporated under the laws of Mauritius and having its registered office at 4th Floor, Les Cascades, Edith Cavell Street, Port Louis, Republic of Mauritius.

1.2 The equity shares of the Target Company are listed on the Bombay Stock Exchange Limited ("**BSE**") and the Calcutta Stock Exchange Association Limited ("**CSE**"). As on the date of this PA the paid up equity capital of the Target Company comprises of 46,58,593 equity shares of the face value of Rs. 10/- each. The Promoters of the Target Company, as set out in Clause 5.2 below, hold 29,04,128 equity shares constituting 62.34% of the present paid up and voting share capital of the Target Company.

1.3 Pursuant to an in-principle Memorandum of Understanding ("**MOU**") dated 11.10.2007 entered into amongst the Acquirer, the Target Company and the Promoters of the Target Company, the Board of Directors of the Target Company ("**Board**") at their meeting held on 11.10.2007 approved, amongst others, the issue of 2,02,456 equity shares ("**Acquirer Shares**") and 13,75,044 warrants ("**Acquirer Warrants**") to the Acquirer, subject to the approval of the shareholders of the Target Company ("**Shareholders**") in the general meeting. At an Extra-Ordinary General Meeting of the Shareholders ("**EGM**") held on 08.11.2007, the Shareholders approved ("**Shareholders Approval**"), amongst others, the issue and allotment of the Acquirer Shares and the Acquirer Warrants to the Acquirer, pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, ("**SEBI DIP Guidelines**"), the provisions of the Memorandum and Articles of Association of the Target Company, the Listing Agreement entered into by the Target Company with the BSE and CSE, and subject to other approval(s),consent(s), permission(s) and/or sanctions of any authorities as may be necessary. Pursuant to the said Shareholders Approval and in-principle approval received from the BSE dated 06.12.2007, the Target Company in its Board Meeting held on 18.12.2007 allotted the Acquirer Shares and the Acquirer Warrants to the Acquirer at a price of Rs.172.50 per equity share and also entered into an Investment Agreement ("**Agreement**") with the Acquirer and the Promoters of the Target Company. The salient features of the Agreement are as follows:

- The Acquirer has agreed to subscribe to and the Target Company has agreed to issue and allot to the Acquirer 2,02,456 equity shares and 13,75,044 warrants of the Target Company at a price of Rs.172.50 per equity share, aggregating to a total sum of Rs. 27,21,18,750 (Rupees Twenty Seven Crores Twenty One Lacs Eighteen Thousand Seven Hundred Fifty Only).
- The Target Company shall utilize the proceeds received from the Acquirer for the purpose of the business of the Target Company i.e., inter alia, of owning, operating, managing hotels, resorts and serviced apartments and other incidental or ancillary business subject to the approval of the Board.
- The overall management and control of the Target Company will remain with the Promoters of the Target Company while the Acquirer will only be a financial investor with certain minority protection rights.
- In case if either of the parties i.e., Acquirer or the Promoters of the Target Company desires to transfer any or all shares or voting interests owned by it then it has to first offer its shares to the other party by way of a notice. Further if the other party does not wish to accept the offer then it shall have a tag along right to sell and transfer such proportionate number of shares to the intending transferee at the same price and on terms and conditions on which the intending transferee agreed to purchase the shares from the transferor.
- The Acquirer or the Promoters of the Target Company shall not transfer any of the shares or voting rights therein owned by it to any person or create any encumbrance over the shares owned by it, except as expressly required or permitted under the Agreement.
- The Acquirer has the right to induct its nominee directors on the Board of the Target Company in proportion to its shareholding and also some rights on certain reserved matters which may affect the value of Acquirer's investment in the Target Company.

1.4 In addition to the Acquirer Warrants, the Target Company has, on 18.12.2007, issued and allotted 10,25,072 warrants ("**Other Investor Warrants**") convertible into 10,25,072 equity shares at a Conversion Price of Rs.172.50 per equity share to other investors in the Target Company namely MRCS Investment Holding Limited (5,12,536 warrants) and MCCS Investment Holding Limited (5,12,536 warrants). It also has issued and allotted 1,35,150 warrants ("**Promoter Warrants**") convertible into 1,35,150 equity shares at a price of Rs.172.50 per equity share to the promoter group companies, the details of the same are provided in Clause 5.5 herein below. All the warrants were allotted after receiving an upfront payment of 10% of the Conversion Price (as defined in Clause 1.5 below).

1.5 The Acquirer Shares and the Acquirer Warrants issued to the Acquirer were locked-in for a period of one year from the date of their allotment. The Acquirer Warrants are convertible into 13,75,044 equity shares of Rs.10/- each, at the option of the Acquirer, at a price of Rs.172.50 per equity share ("**Conversion Price**") within 18 months from the date of allotment of the Acquirer Warrants. The aggregate consideration payable on the conversion of all of the Acquirer Warrants into equity shares at the Conversion Price is Rs.23,71,95,090 (Rupees Twenty Three Crores Seventy One Lacs Ninety Five Thousand Ninety Only), of which 10% i.e., Rs.2,37,19,509 (Rupees Two Crores Thirty Seven Lacs Nineteen Thousand Five Hundred Nine Only) has been paid by the Acquirer in accordance with the provisions of the SEBI DIP Guidelines prior to the allotment of the Acquirer Warrants on 18.12.2007. Further, the Acquirer has paid an amount of Rs.5,23,43,003.25 (Rupees Five Crores Twenty Three Lacs Forty Three Thousand Three and Twenty Five Paise Only) being the remaining 90% consideration for exercising its option for conversion of 3,37,153 warrants (out of the Acquirer Warrants) into equity shares which were allotted to it by the Target Company in their Board Meeting held on 11.04.2008. The Acquirer has also paid an amount of Rs.2,46,40,348.50 (Rupees Two Crores Forty Six Lacs Forty Thousand Three Hundred Forty Eight and Fifty Paise only) being the remaining 90% consideration for exercising its option for conversion of 1,58,714 warrants (out of the Acquirer Warrant) into equity shares, which were allotted to it by the Target Company in their Board Meeting held on 12.02.2009.

1.6 The Acquirer pursuant to an agreement-dated 25.03.2009 has also acquired 1,96,151 warrants of the Target Company from MRCS Investment Holding Limited at a price of Rs. 17.25 per warrant which is equal to the upfront payment of 10% of the Conversion Price.

1.7 Consequent to the purchase of warrants by the Acquirer as stated in Para 1.6 above, the number of the warrants held by the Acquirer pending conversion as on the date of this PA is 10,75,328 ("**Remaining Warrants**") convertible into 10,75,328 equity shares of the Target Company. Apart from above, as on the date of PA there are 3,31,301 other warrants which are pending conversion (herein collectively referred to as "**Other Remaining Warrants"**).

1.8 The Acquirer proposes to convert the Remaining Warrants on or around 03.04.2009 and prior to such conversion the Acquirer shall deposit with the Target Company the remaining 90% of the consideration amount payable towards the Remaining Warrants amounting to Rs.16,69,44,672 (Rupees Sixteen Crores Sixty Nine Lacs Forty Four Thousand Six Hundred Seventy Two Only). Post conversion of all of the Remaining Warrants into equity shares, the total shareholding of the Acquirer shall be 17,73,651 equity shares constituting 29.24% of the Emerging Voting Capital of the Target Company (as defined in Clause 1.12 herein below).

1.9 The issue price of the equity shares on preferential basis and the Conversion Price for each of the Acquirer Warrants have been determined in accordance with the provisions of the SEBI DIP Guidelines. As required under Clause 13.1.1 of the SEBI DIP Guidelines, the relevant date for the purpose of determining the minimum price at which the Acquirer Shares and Acquirer Warrants is 08.10.2007, being the date falling 30 days prior to the date of the EGM. The average of the weekly high and low of the closing prices of the equity shares of the Target Company on the BSE (the stock exchange where the shares of Target Company are most frequently traded) as per the certificate dated 15.11.2007 received from the statutory auditors of the Target Company was: (a) Rs.163.05 per equity share for the 6 months ended on 07.10.2007, and (b) Rs.172.50 per equity share for the 2 weeks ended on 07.10.2007. Accordingly, the Conversion Price of Rs. 172.50 per warrant is not less than the higher of the prices set out in sub-clauses (a) and (b) above.

1.10 The shareholding pattern of the Target Company, as on the date of this PA is as follows:

Shareholder category	Number of equity shares of the Target Company	Percentage of equity capital
Promoters	29,04,128	62.34%
Public	17,54,465	37.66%
Total	**46,58,593**	**100.0%**

1.11 As on date of this PA, the Target Company does not have any partly paid up shares.

1.12 Assuming conversion of the Remaining Warrants and the Other Remaining Warrants, the total equity and voting share capital of the Target Company on a fully diluted basis will be 60,65,222 equity shares of Rs.10 each ("**Emerging Voting Capital**") which are detailed as below:

Shareholder category	Number of equity shares of the Target Company	Percentage of equity capital
Promoters	30,39,278	50.11%
Public		
Acquirer	17,73,651	29.24%
Other Public	12,52,293	20.65%
Total	**60,65,222**	**100.00%**

1.13 Other than the warrants as described in Clause 1.7 above, there are no other outstanding warrants / convertibles / options or other instruments which are convertible into equity shares of the Target Company as on the date of this PA.

1.14 In this PA, the words "equity shares" refer to the fully paid up equity share of the Target Company having face value of Rs.10 each.

2. THE OFFER

2.1 This Offer is being made by the Acquirer to all of the shareholders of the Target Company (except to the Promoters) to acquire from them 12,13,045 equity shares ("**Offer Shares**") constituting 20% of the Emerging Voting Capital of the Target Company at a price of Rs.172.50 per equity share (the "**Offer Price**"), payable in cash, in accordance with Regulations and subject to the terms and conditions mentioned herein. If the equity shares validly tendered in the Offer exceed more than 20%, then the Acquirer shall accept the same in accordance with Regulation 21(6) of the Regulations.

2.2 The Acquirer holds 6,98,323 equity shares in the Target Company as on the date of this PA. The Acquirer has acquired 4,95,867 equity shares of the Target Company during the last 12 months preceding the date of this PA pursuant to the part conversion of the Acquirer Warrants into the equity shares at an average and highest price of Rs.172.50 per equity share. The Acquirer has also acquired 1,96,151 warrants of Target Company from MRCS Investment Holding Limited as referred to in Clause 1.6. As stated in Clause 1.8 the Acquirer will directly hold 17,73,651 equity shares comprising 29.24% of the Emerging Voting Capital in the Target Company, pursuant to the conversion of the Remaining Warrants into the equity shares. Upon completion of the Offer, if there is full acceptance (of entire 20%), the Acquirer will directly hold 29,86,696 equity shares constituting 49.24% of the Emerging Voting Capital of the Target Company.

2.3 As on the date of this PA, the Manager to the Offer does not hold any equity shares or any other shares in the Target Company. They declare and undertake not to deal in the equity shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer till the expiry of 15 days from the date of closure of the Offer.

2.4 Subject to the receipt of regulatory approvals as set out in Clause 7 below, and other terms and conditions as set out in this PA, and the Letter of Offer to be sent to the public shareholders of the Target Company, the Acquirer will acquire all of the Offer Shares validly tendered pursuant to the Offer.

2.5 During the Offer period, the Acquirer may purchase additional equity shares in accordance with the Regulations and in such event, such purchase shall be disclosed to the stock exchanges where the equity shares are listed and to the Manager to the Offer in accordance with Regulation 22(17) of the Regulations.

2.6 There are no "persons acting in concert" with the Acquirer for the purpose of the Offer. Due to applicability of Regulation 2(1)(e)(2) of the Regulations, there could be certain persons/ entities deemed to be acting in concert with the Acquirer. However, such persons are not "persons acting in concert" for the purposes of this Offer.

2.7 This is not a competitive bid.

2.8 The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

2.9 The Offer is not subject to any minimum level of acceptances from the shareholders and is not a conditional Offer.

3. OFFER PRICE

3.1 The equity shares of the Target Company are listed on the BSE and the CSE. Based on the trading volumes of the Target Company for the 6 months period ended on 28.02.2009, the equity shares are infrequently traded on the BSE and the CSE within the meaning of explanation (i) to Regulation 20 (5) of the Regulations.

3.2 The Offer Price is justified in terms of Regulations 20 (5) of the Regulations in view of the following:

A	Negotiated Price	N.A.	
B	Highest Price paid by the Acquirer for acquisition, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of this PA	Rs. 172.50	
C	**Other Financial Parameters**	**31st March**	
		2008	**2007**
	Return on Net worth (%)	10.05	18.25
	Book Value per share (Rs.)	76.73	57.67
	Earning per Share (Rs.)	8.30	10.53
	P/E Multiple Based on Offer Price*	20.78	16.38
	Average P/E Multiple for Hotel Industry**	9.00	

*Offer price/EPS

**(Source: Capital Market Journal Vol.XXIV/02, March 23–April 05, 2009, Industry Hotel)

On 25.03.2009 the Acquirer has also acquired 1,96,151 warrants of Target Company from MRCS Investment Holding Limited at a price of Rs. 17.25 per warrant which are paid up to the extent of 10% of the Conversion Price.

In view of the above, the Offer Price of Rs. 172.50/- per equity share is justified in terms of Regulation 20(5).

4. INFORMATION ABOUT THE ACQUIRER

4.1 The Acquirer i.e., Xander Investment Holding X, Limited is a limited liability company having its registered office at 4th Floor, Les Cascades, Edith Cavell Street, Port Louis, Republic of Mauritius. The Acquirer was incorporated on 13th April 2007 under Act No. 15 of the Companies Act, 2001 of the laws of Republic of Mauritius. The contact details of the Acquirer are as follows: Tel. No.: + (230) 212 9800 Fax. No.: +(230) 212 9833. E-mail:- xanderfunds.admin@imm.mu. The Acquirer is not a listed company.

4.2 The Acquirer was incorporated with the objective of carrying out global business as defined in the Financial Services Act, 2007 and do all such other things as are necessary, ancillary or incidental to, or as the Acquirer may think conducive for, the conduct, promotion or attainment of its business. Presently the Acquirer is engaged in the activity of investment in the securities of Indian companies engaged in hotels, hospitality, and related activities. The Acquirer holds a Category 1 Global Business License issued by the Financial Services Commission.

4.3 The present share capital of the Acquirer is USD 28,00,500 comprising of the 28,00,500 common/ordinary shares of face value USD 1 each. The entire shareholding of the Acquirer is held by Xander Master Fund, LLC and Xander Master Fund II, LLC (the "**Funds**"), holding 9,33,500 common/ordinary shares representing 33.33% and 18,67,000 common/ordinary shares representing 66.67% of the common/ordinary shares of Acquirer respectively. The Funds having their registered office at 4th Floor, Les Cascades, Edith Cavell Street, Port Louis, Republic of Mauritius, are limited liability companies, organized in accordance with the law of Mauritius and operate as a collective investment scheme with the objective to invest through its subsidiaries in Mauritius, in a diversified portfolio of assets such as hotels and hospitality operating companies in India.

4.4 The financial highlights of the Acquirer are as follows:

Particulars	For the period ended April 13, 2007 to December 31, 2007 (US$) (Audited)	For the period ended April 13, 2007 to December 31, 2007 (Rs.)	For the year ended 31st December 2008 (US$) Audited	For the year ended 31st December 2008 (Rs.)
Total Income	3.00	152.30	13.00	659.95
Profit / (Loss) after taxes, before gain/(loss) from Investments	(13,772)	(6,99,135.58)	(79,301)	(40,25,715.27)
Changes in Unrealized gain/(loss) from investment	20,57,789	10,44,63,658.59	(25,84,704)	(13,12,12,498.56)
Net Profit/(loss) for the period	20,44,017	10,37,64,523.01	(26,64,005)	(13,52,38,213.83)
Sources of Funds:				
Shareholders' Equity	14,95,500	7,59,19,057.50	28,00,500	14,21,67,382.50
Accumulated Income/(Deficit)	20,44,017	10,37,64,523.01	(6,19,988)	(3,14,73,690.82)
NetWorth	35,39,517	17,96,83,580.51	21,80,512	11,06,93,691.68
Accounts payable and accrued liabilities	12,616	6,40,451.24	15,948	8,09,600.22
Due to related parties	13,509	6,85,784.39	88,508	44,93,108.63
Total	**35,65,642**	**18,10,09,816.13**	**22,84,968**	**11,59,96,400.53**
Use of funds:				
Cash & cash equivalents	11,843	6,01,209.90	1,231	62,491.72
Investment	35,53,468	18,03,91,803.02	22,80,968	11,57,93,340.52
Deferred Tax Asset	331	16,803.21	2,769	1,40,568.29
Total	**35,65,642**	**18,10,09,816.13**	**22,84,968**	**11,59,96,400.53**
Return on Net Worth (%)	57.75	57.75	(122.17)	(122.17)
Book Value ($) / Rs.	2.37	120.31	0.78	39.60
Earning Per Share	1.37	69.55	(0.95)	(48.23)

Note:

i. EPS = $\frac{\text{Net Profit/(loss) for the period / year}}{\text{number of common shares at the end of the period.}}$

ii. Return on Net Worth = $\frac{\text{Net Profit/(loss) for the period / year}}{\text{Net Worth.}}$

iii. Book Value per Share = Net Worth / No. of outstanding common shares at the end of the year / period.

iv. Source: Audited Annual Reports.

Note: The currency conversion in the above table is based on the exchange rate available on Bloomberg as on 25.03.2008 viz 50.7650 INR per USD.

4.5 As on the date of this PA the Board of Directors of the Acquirer comprises of Mr. Heerdaye Jugbandhan, Mr. Dourvesh Kumar Chumun and Mr. Siddhartha Yog.

4.6 The Acquirer presently holds 6,98,323 equity shares of the Target Company representing 14.99% of the present equity and voting share capital of the Target Company.

4.7 The Acquirer has till date duly complied with the relevant provisions of Chapter II of the Regulations.

5. INFORMATION ABOUT THE TARGET COMPANY – SINCLAIRS HOTELS LIMITED

(Information relating to the Target Company has been obtained from information available in public domain and neither the Acquirer nor the Manager to the Offer has independently verified the same).

5.1 The Target 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 Target Company was changed to Sinclairs Hotels and Transportation Private Limited on April 5, 1978. The Target 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 Target Company was changed to Sinclairs Hotels Limited on October 5, 2005. The registered office of the Target Company is situated at 56A, Mirza Ghalib Street, Kolkata – 700 016. The corporate office of the Target Company is situated at 10A Lee Road, Kolkata – 700 020, Tel. No.: +91-33-2280-1317/18/19/20. Fax No.: +91-33-2280-0813. The Target Company's Corporate Identity Number (CIN) is L55101WB1971PLC028152.

5.2 The Target Company is promoted by Dr. Niren Chand Suchanti, Mr. Navin Chand Suchanti, Mrs. Sujata Suchanti, Mrs. Pramina Suchanti, Mr. Rohan Suchanti, M/s. Pressman Realty Limited (formerly M/s. Pressman Estates & Investments Limited), M/s. Pressman Properties Limited and M/s. Prima Communications Limited (collectively the "**Promoters**"). The Promoters continue to be in control of the Target Company.

5.3 As on the date of this PA, the Target Company has an authorized share capital of Rs. 2000.00 Lacs comprising of 1,50,00,000 equity shares of Rs.10/- each and 50,00,000 redeemable preference shares of Rs. 10/- each. It has an issued, subscribed and paid up equity share capital of Rs.465.86 Lacs, consisting of 46,58,593 fully paid equity shares of Rs.10/- each. There are no partly paid up shares in the Target Company.

5.4 The Target Company presently operates in the hospitality sector. The Target Company owns and manages chain of hotels in India under the brand "Sinclairs". At present the Target Company operates 5 hotels namely Hotel Sinclairs Siliguri located at Siliguri, Hotel Sinclairs Darjeeling located at Darjeeling, Sinclairs Retreat Dooars (Chalsa) located at Dooars (Chalsa), Hotel Sinclairs Ooty located at Ooty and Hotel Sinclairs Bay View, Port Blair located at Port Blair. Altogether the Target Company offers 279 rooms, 17 suites, and 2 villas and operates 10 food and beverage outlets and 15 banquet facilities as part of 5 hotels.

5.5 The details of Acquirer Warrants, the Other Investor Warrants and the Promoter Warrants issued by the Target Company on a preferential basis at the Board meeting held on 18.12.2007 are as follows:

Name of the Allottees for the Warrants	Shareholder Category	No. of Warrants	%age of Emerging Voting Capital assuming full conversion of the Warrants
M/s. Pressman Realty Limited (formerly M/s. Pressman Estates & Investments Limited)	Promoter Company	67,575	1.11%
Pressman Properties Limited.	Promoter Company	67,575	1.11%
Xander Investment Holding X, Limited.	Foreign Company	13,75,044	22.67%
MRCS Investment Holding Limited.	Foreign Company	5,12,536	8.45%
MCCS Investment Holding Limited.	Foreign Company	5,12,536	8.45%
Sub-total of all Warrants as mentioned above		25,35,266	41.79%
Total Emerging Voting Capital assuming full conversion of all Warrants issued		**60,65,222**	**100%**

In addition to the above warrants, the Target Company has also allotted equity shares to the Acquirer (2,02,456), MCCS Investment Holding Limited (75,464) and MRCS Investment Holding Limited (75,464) on a preferential basis at the Board meeting held on 18.12.2007.

5.6 The equity shares of the Target Company are listed at the BSE and the CSE. The equity shares of the Target Company are not admitted as permitted security in any other stock exchange.

5.7 The financial information of the Target Company for the last 3 financial years ending 31.03.2008 are as follows:

(Rs. In Lacs)

For the Year Ended	31st March 2006 (Audited)	31st March 2007 (Audited)	31st March, 2008 (Audited)
Total Income	1034.64	1196.91	1192.21
Profit/(Loss) after Tax	287.19	334.35	272.13
Paid up Share Capital	317.66	317.66	353.00
Reserves & Surplus (excluding revaluation reserves, amalgamation reserve, capital investment subsidy & preference share redemption reserve)	1179.90	1514.26	1918.23
Equity Share Warrants	-	-	437.33
Net Worth	1497.56	1831.92	2708.56
Earning Per Share (Rs.)	9.04	10.53	8.30
Return on Networth (%)	19.18	18.25	10.05
Book Value Per Share (Rs.)	47.14	57.67	76.73

Note:

i. EPS = Profit after tax / Weighted average number of equity shares at the end of the year.

ii. Return on Net Worth = Profit after Tax /Net Worth.

iii. Book Value per Share = Net Worth / No. of outstanding equity shares at the end of the year.

iv. Source: Audited Annual Reports

5.8 As on the date of this PA the Board of Directors of the Target Company comprises of Dr. Niren Suchanti, Chairman, Mr. Navin Suchanti, CEO & Managing Director, Mr. Vikash Kuthari, Wholetime Director, Mr. Siddhartha Yog, Mr. Rohan Sikri, Mr. Rohan Suchanti and Mr. Hardeep Sachdeva. As on the date of this PA, Mr. Siddhartha Yog, director of Acquirer is on the Board of Target Company. He had not /will not participate in any matters concerning or relating to the Offer including any preparatory steps leading to the Offer in terms of Regulation 22(9) of the Regulations.

5.9 The Target Company has also formed a wholly owned subsidiary on 01.04.2008 namely Sinclairs Management Education Company Private Limited to set up a hospitality management institute. Till date the subsidiary has not commenced any business activity.

5.10 Based on information available in public domain, we believe that Target Company has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992.

6. REASON FOR THE OFFER AND FUTURE PLANS

6.1 Regulation 14(2) of the Regulations requires any acquirer acquiring securities which when taken together with the voting rights if any, already held by such acquirer, would entitle such acquirer to voting rights exceeding the percentage specified in Regulation 10 or Regulation 11 of the Regulations, to make a public announcement to acquire equity shares no later than 4 working days before such acquirer acquires voting rights on such securities upon conversion of such securities or exercise of option, as the case may be. Since the total shareholding of the Acquirer post conversion of the Remaining Warrants would constitute 29.24% of the Emerging Voting Capital, which is more than the threshold limit of 15% as stipulated in Regulation 10 of the Regulations and the Acquirer proposes to convert the Remaining Warrants on or around 03.04.2009, this Offer is being made under and in compliance with Regulation 10 read with Regulation 14(2) of the Regulations. In terms of the Agreement, the Acquirer has certain rights as enumerated in Clause 1.3 above, which may be within the meaning of the definition of "Control" under the Regulations. However, the Acquirer is not in management control of the Target Company and does not intend to acquire management control of the Target Company. The rights afforded to the Acquirer are primarily available in order to protect its investment in the Target Company. The acquisition of equity shares by the Acquirer in the Target Company is without change in control or management thereof. The Promoters shall continue to be in control of the Company. However, as an abundant precaution, this Offer shall also be read and deemed to be made under Regulation 12 of the Regulations as well, if at any time any regulatory authority views that any change of control is being made.

6.2 Also since the Acquirer has entered into an agreement as referred to in Clause 1.6 above to acquire 196,151 warrants of the Target Company from MRCS Investment Holding Limited, this offer is being made by the Acquirer in compliance with Regulations 10, 12 read with Regulation 14(1) of the Regulations as well, if applicable.

6.3 Presently the Acquirer is engaged in the activity of investment in the shares / securities of Indian companies engaged in hotels, hospitality, and related activities and do all such other things as are necessary, ancillary or incidental to, or as the Acquirer may think conducive for, the conduct, promotion or attainment of its business. The Acquirer is only a financial investor in the Target Company and the control over the Target Company remains with the Promoters.

6.4 The Acquirer does not have any plans to make any major change to the existing lines of business of the Target Company nor to dispose of or otherwise encumber any assets of the Target Company in the next 24 months, except in the ordinary course of business of the Target Company or to the extent required for the purpose of restructuring and/or rationalization of assets, investments or liabilities of the Target Company for commercial reasons and operational efficiencies. It will be the discretion of the Board to take appropriate decisions in these matters as per the requirements of the business. Such steps shall be in compliance with applicable provisions of the Regulations, Companies Act, 1956, and/or other applicable laws at the relevant time and will be subject to prior approval of shareholders of the Target Company, wherever required.

6.5 The Acquirer undertakes not to sell, dispose of or otherwise encumber any substantial assets of the Target Company, except with the prior approval of the shareholders of the Target Company, to the extent required by applicable laws.

7. STATUTORY APPROVALS FOR THE OFFER

7.1 The Offer is subject to the receipt of approval by the Acquirer from the Reserve Bank of India ("**RBI**") under the Foreign Exchange Management Act, 1999 and the rules and regulations made there under for acquiring equity shares validly tendered under the Offer.

7.2 The Acquirer will make necessary applications to RBI to obtain its approval as described above.

7.3 To the best of the Acquirer's knowledge, as of the date of this PA, there are no other statutory approvals required to implement the Offer to acquire equity shares tendered pursuant to this Offer, other than the approval specified above. If any other statutory approvals become applicable prior to completion of the Offer, the Offer would also be subject to such other statutory approvals. The Acquirer will have the right not to proceed with the Offer and withdraw the same in the event that the statutory approvals that are required are refused in terms of Regulation 27 of the Regulations.

7.4 The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the date of closure of the Offer. It may be noted that if the Acquirer is unable to make payment to the shareholders who have accepted the Offer before the said period of 15 days, due to non-receipt of statutory approval(s), the Securities and Exchange Board of India ("**SEBI**"), if satisfied that the non-receipt of the statutory approvals was not due to willful default or negligence on part of the Acquirer, has the power to grant an extension of time to the Acquirer for payment of consideration to shareholders of the Target Company, subject to the Acquirer agreeing to pay interest for the delayed period to the shareholders who have accepted the Offer, at such rates as directed by SEBI in terms of Regulation 22(12) of the Regulations. Further, if the delay occurs on account of the willful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite statutory approvals, Regulation 22(13) of the Regulations shall be applicable.

7.5 To the best of its knowledge, the Acquirer does not require any approvals from any financial institutions or banks for the Offer.

8. DISCLOSURE IN TERMS OF REGULATION 21(2) OF THE REGULATIONS

In the event, pursuant to this Offer, if the public shareholding in the Target Company falls below 25% of its outstanding equity share capital, the Acquirer will, in accordance with Regulation 21(2) of the SEBI (SAST) Regulations, 1997, facilitate the Target Company to raise the level of public shareholding to the minimum level specified for continuous listing in the Listing Agreement with the stock exchange(s) where the equity shares of the Target Company are listed within the specified time and in accordance with the prescribed procedure under Clause 40A(viii) of the Listing Agreement.

9. FINANCIAL ARRANGEMENTS

9.1 The maximum consideration payable by the Acquirer to acquire 12,13,045 equity shares at the offer price of 172.50 per share assuming full acceptance of the Offer would be Rs.20,92,50,262.50 (Twenty Crore Ninety Two Lacs Fifty Thousand Two Hundred and Sixty Two Rupees and Fifty Pasie Only).

9.2 In accordance with Regulation 28 of the Regulations, the Acquirer has opened an Escrow Account under the name and style of "SINCLAIRS HOTELS LIMITED OPEN OFFER ESCROW ACCOUNT" with Axis Bank Limited, Kolkata Main Branch, Kolkata (the **"Escrow Agent**") and has made a cash deposit of Rs. 5,23,12,566 (Rupees Five Crores Twenty Three Lacs Twelve Thousand Five Hundred Sixty Six Only) being 25% of the total consideration payable under the Offer assuming full acceptance (the "**Escrow Account**") with the Escrow Agent. The Manager to the Offer is empowered to realize the value of the aforesaid Escrow Account and instruct the Escrow Agent to issue cheques /pay orders/ demand drafts in terms of the Regulations.

9.3 The shareholders of the Acquirer i.e Xander Master Fund, LLC and Xander Master Fund II, LLC vide their letter dated 23.03.2009 have undertaken that in the event that the actual total commitment of the Acquirer exceeds the amount placed in escrow, and in the event of insufficiency of funds in the bank account of the Acquirer to meet the balance commitment under the Offer, they shall promptly arrange funds for the Acquirer to meet its commitments in accordance with the Regulations.

9.4 International Management (Mauritius) Limited ("IMM"), a management company duly licensed by the Financial Services Commission, Mauritius located at Les Casacades, Edith Cavell Street, Port Louis, Republic of Mauritius has vide its letter dated 25.03.2009 has certified that Acquirer has necessary access to funds, either in its bank accounts or as commitments received from its shareholders, to meet its entire obligations under the Offer in accordance with the Regulations.

9.5 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the Regulations as firm financial arrangements are in place to fulfill the obligations under the Regulations.

10. OTHER TERMS OF THE OFFER

10.1 The Letter of Offer along with the Form of Acceptance cum Acknowledgement will be mailed to all those shareholders of the Target Company (except the parties to the Agreement) whose name appear on the register of members and to the beneficial owners of the equity shares of the Target Company whose names appear on the beneficial records of the depository participant, at the close of business hours on 17.04.2009 ("**Specified Date**").

10.2 The shareholders holding equity shares in physical form who wish to accept the Offer and tender their equity shares will be required to send their duly signed Form of Acceptance cum Acknowledgement, original share certificate (s) and duly signed and executed transfer deed (s) to the Registrar to the Offer, either by hand delivery on weekdays between (11.00 A.M to 5.30 P.M) or by registered post so as to reach on or before the closing of the Offer, i.e. 08.06.2009 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

10.3 The Registrar to the Offer has opened a special depository account with Trans Scan Securities Private Limited, (Registered with NSDL), styled "NICHE TECHNOLOGIES PVT. LTD.-SHL – OPEN OFFER ESCROW ACCOUNT". The DP ID is IN302496 and Client ID is 10049945. Shareholders having their beneficiary account in CDSL have to use inter depository delivery instruction slip for the purpose of crediting their equity shares in favour of the special depository account.

10.4 Beneficial owners and shareholders holding equity shares in the dematerialized form who wish to tender their equity shares will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instructions in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the Depository Participant ("**DP**"), in favour of the special depository account, to the Registrar to the Offer either by hand delivery on weekdays between (11.00 A.M to 5.30 P.M) or by registered post, on or before the closing of the Offer, i.e 08.06.2009, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

10.5 All owners of the equity shares, registered or unregistered (except parties to the Agreement) who own equity shares any time prior to the closing of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the name & address of the first holder, name(s) & address (es) of joint holder(s) if any, number of equity shares held, number of equity shares offered, distinctive numbers, folio number, together with the original share certificate(s), valid transfer deeds and the original contract note issued by the broker through whom they acquired their equity shares. No indemnity is required from unregistered owners.

10.6 In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer, on a plain paper stating the name & address of the first holder, name(s) & address (es) of joint holder(s) if any, registered folio number, share certificate numbers, distinctive numbers, number of equity shares held, number of equity shares offered, along with documents as mentioned in above Clause 10.5 so as to reach the Registrar to the Offer on or before the closing of the Offer, i.e. 08.06.2009. In case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of equity shares held, number of equity shares offered, DP Name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the closing of the Offer, i.e 08.06.2009.

10.7 Applications in respect of equity shares of the Target Company that are subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the equity shares during the pendency of the said litigation are liable to be rejected if the directions/ orders regarding these equity shares are not received together with the equity shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

10.8 The Letter of Offer along with the Form of Acceptance cum Acknowledgement would also be available at SEBI's website at *www.sebi.gov.in* and the eligible persons to the Offer may download the Form of Acceptance cum Acknowledgement from the website as one of the alternatives available to them for applying in the Offer.

10.9 The shareholders who have sent their equity shares for dematerialisation need to ensure that the process of getting equity shares dematerialised is completed well in time so that the credit in the Escrow Account should be received on or before the closure of the Offer, else the application would be rejected.

10.10 While tendering the equity shares under the Offer, NRIs/ foreign shareholders will be required to submit the previous RBI approvals (specific or general) that they would have been required to submit to acquire the equity shares of the Target Company. In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such equity shares tendered. While tendering equity shares under the Offer, NRI/ foreign shareholders will be required to submit a tax clearance certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 ("**Income Tax Act**"), before remitting the consideration. In case the aforesaid tax clearance certificate is not submitted, the Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder. In case the tax clearance certificate is not submitted, the Acquirer reserves the right to reject the equity shares tendered.

10.11 As per the provisions of Section 196D(2) of the Income Tax Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act payable to a Foreign Institutional Investor ("FII") as defined in Section 115AD of the Income Tax Act.

10.12 The Registrar to the Offer will hold in trust the share certificates, equity shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form/s on behalf of the shareholders of the Target Company who have accepted the Offer, till the cheques/drafts/ECS credit for the consideration and/or the unaccepted equity shares/share certificates are despatched/returned/credited.

10.13 The share certificates, transfer forms and other documents in respect of equity shares not accepted under the Offer, if any, will be returned by registered post at the shareholders/ unregistered owners sole risk to the sole/first shareholder. Equity shares held in dematerialised form to the extent not accepted will be credited back to the beneficial owners depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

10.14 In case the equity shares tendered in the Offer by the shareholders of the Target Company are more than the equity shares to be acquired under the Offer, the acquisition of the equity shares from each shareholder will be as per the provision of regulation 21(6) of the Regulations on a proportionate basis. The marketable lot for both physical and demat equity shares is 1. The rejected applications / documents will be sent by registered post.

10.15 The payment of acquisition of equity shares will be made by the Acquirer in cash through a crossed demand draft/pay order/ECS credit to the equity shareholders of the Target Company whose equity share certificates and other documents are found in order and accepted by the Acquirer, with in 15 days from the date of Closing of the Offer.

10.16 In terms of Regulation 22(5A) of the Regulations, shareholders shall have the option to withdraw acceptances tendered up to 3 working days prior to the Offer closing date by submitting the documents as per instructions below, so as to reach the Registrar to the Offer on or before 03.06.2009.

(i) The withdrawal option can be exercised by submitting the Form of Withdrawal enclosed with Letter of Offer ("**Form of Withdrawal**").

(ii) Incase of non-receipt of Form of Withdrawal the withdrawal can be exercised by making it on plain paper along with the following details:

- In case of physical equity shares: name, address, distinctive numbers, folio numbers, number of equity shares tendered; and
- In case of dematerialized equity shares: name, address, number of equity shares tendered, DP name, DP ID beneficiary account number and a photocopy of the delivery instruction in "Off-Market" or counterfeit of the delivery instruction in "Off- Market" mode, duly acknowledged by the DP, in favour of the special depository account mention in Clause 10.3.

10.17 The equity shares withdrawn by the shareholders, if any, would be returned by registered post.

10.18 The Acquirer will acquire the equity shares tendered in the Offer free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

10.19 A Schedule of some of the major activities in respect of the Offer is given below:

Activities	Date	Day
Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	17.04.2009	Friday
Last Date for a competitive bid, if any	18.04.2009	Saturday
Date by which the Letter Of Offer will be dispatched to the shareholders	08.05.2009	Friday
Date of opening of the Offer	20.05.2009	Wednesday
Last date for revising the Offer Price/ Offer Shares	28.05.2009	Thursday
Last date for withdrawal of acceptance by shareholders who have accepted the Offer	03.06.2009	Wednesday
Date of closing of the Offer	08.06.2009	Monday
Date of communicating rejection/acceptance and payment of consideration for accepted tenders and/or the unaccepted equity shares certificates will be dispatched/ credited.	22.06.2009	Monday

11. GENERAL:

11.1 The shareholders who have accepted the Offer by tendering the requisite documents in terms of this PA / Letter of Offer, can withdraw the same up to 3 working days prior to the date of closure of the Offer i.e. 03.06.2009.

11.2 The Acquirer can revise the Offer Price or the Offer Shares upwards up to 7 working days prior to the closure of the Offer i.e., 28.05.2009. If there is any upward revision in the Offer Price or the number of the Offer Shares by the Acquirer until the last date of the revision i.e., 28.05.2009 the same would be informed to the shareholders by way of a public announcement in the same newspapers where this PA appeared and such revised Offer Price would be payable to all the shareholders who have tendered their equity shares any time during the Offer and accepted under the Offer.

11.3 If there is a withdrawal of the Offer by the Acquirer, the same will be communicated by way of a public announcement in the same newspaper in which this PA appeared.

11.4 **If there is a competitive bid:**

11.4.1 The offers to the public shareholders under all the subsisting bids shall close on the same date.

11.4.2 As the Offer Price cannot be revised during 7 working days prior to the closing date of the Offers/ bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.

11.5 The Acquirer and its directors have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of Securities and Exchange Board of India Act, 1992 or any amendments thereto ("**SEBI ACT**") or under any other Regulations made under the SEBI Act.

11.6 Pursuant to regulation 13 of the Regulations, the Acquirer has appointed **VC Corporate Advisors Private Limited,** as Manager to the Offer.

11.7 The Acquirer have appointed Niche Technologies Private Limited, as the Registrar to the Offer, having office at 71 B.R.B.Basu Road, D-511, Bagree Market, Kolkata-700001 Tel: (033) 2235 7271/7270/3070; Fax: (033) 2215 6823. E-mail: nichetechpl@nichetechpl.com. The Contact Person is Mr. S. Abbas.

11.8 The Acquirer and the directors of the Acquirer accept full responsibility for the information contained in this PA and also for the obligations of Acquirer laid down in Regulations.

11.9 This PA will be available on SEBI's website at *www.sebi.gov.in* eligible persons to the Offer may also download a copy of Letter of Offer along with Form of Acceptance cum Acknowledgement and Form of Withdrawal, which will also be available on SEBI's website from the Offer opening date i.e. 20.05.2009 and apply in the same.

11.10 For further details, please refer to the Letter of Offer & Form of Acceptance cum Acknowledgement.

Issued by Manager to the Offer on behalf of the Acquirer:

Manager to the Offer:

VC CORPORATE ADVISORS PRIVATE LIMITED

SEBI Registration 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/ 3941/ 4116 Fax: (033) 2225-3941
E-mail: mail@vccorporate.com

Place: Kolkata **Date: 28.03.2009**