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Sinclair's Hotels to invest Rs 100 cr in 3 Bengal projects

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Navin Suchanti, MD & CEO, Sinclair's.

May opt for short-term borrowings to fund expansion

KOLKATA, OCT. 25:

Sinclair's Hotels Ltd is looking to add around 185 rooms across three new properties in the upscale-to-mid-market categories in West Bengal at an estimated cost of Rs 100 crore. The Kolkata-based company at present runs five hotels — one each in Ooty, Port Blair, Dooars, Darjeeling and Siliguri — with a total capacity of 300 rooms. All hotels are operated under the 'Sinclair's' brand.

The company reported a turnover of nearly Rs 20 crore last fiscal. According to Managing Director and Chief Executive Officer Navin Suchanti, two of the planned properties — in Burdwan (20 rooms) and Kalimpong (50 rooms) — are expected to be operational this fiscal. Together, the projects will cost an estimated Rs 33 crore.

A larger 114-key hotel will be opened at Rajarhat New Town, a satellite township on the eastern fringes of Kolkata, in two-three years, at an investment of Rs 70-80 crore.

“The development of Burdwan and Kalimpong hotels will be funded from internal resources. In the case of the Kolkata property, we may have to opt for short-term borrowings,” Suchanti told *Business Line*. The company has already acquired land for the Kolkata project and is awaiting clearances from the State Government.

BUY-BACK SCHEME

Sinclairs, meanwhile, announced a scheme to buy back 8.16 per cent of equity shares through the tender offer route.

Under the scheme, the company will buy around 495,000 shares at Rs 390 each, marking a premium of 41.55 per cent over the average closing price on the BSE for the past three months. According to Suchanti, the buyback will be funded through the excess cash available with the company after the divestment of its holding in Bangalore-based Savannah Hotels. While 15 per cent of the shares will be offered to smaller shareholders, according to SEBI norms, the remaining 85 per cent will be proportionately offered to all shareholders.

At present, promoters' stake in Sinclairs stands at nearly 52 per cent with foreign and domestic institutional investors, including private equity funds, holding around 46 per cent. About 2 per cent is held by retail investors.

The company's stock closed at Rs 349.9 on Thursday, against 348.5 on Wednesday.

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