



ANNUAL REPORT 1999-2000

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SINCLAIRS HOTELS & TRANSPORTATION LIMITED

Board of Directors

Mr. Navin Suchanti, *Chairman*

Dr. Niren Suchanti

Mr. P.K. Goenka

Mr. S. M. Borar

Mr. Prabir Chakravarti

Mr. D.K. Basu (*WBFC Nominee*)

Auditors

Messrs Mookherjee, Biswas & Pathak

Chartered Accountants

Branch Auditor

Messrs R. Ramakrishnan & Co.

Chartered Accountants

Registered Office

56A, Mirza Ghalib Street

Calcutta 700 016

Hotels & Resort

Hotel Sinclairs, Siliguri

Hotel Sinclairs, Darjeeling

Hotel Sinclairs Bayview, Port Blair

Hotel Sinclairs. Ooty

Sinclairs Retreat Dooars, Chalsa, West Bengal

DIRECTORS' REPORT

To the members,

Your Directors present their Twentyeighth Annual Report together with the Audited Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

	(Rs. in lacs)	
	Year ended 31.03.2000	Year ended 31.03.1999
Gross Income	901.05	1241.84
Profit for the year before interest and depreciation	130.64	194.85
Less : Finance charges	56.68	49.60
Depreciation	65.64	84.93
Profit before tax	8.26	60.32
Provision for taxation	-	6.35
Profit after tax	8.26	53.97
Profit brought forward	15.00	10.28
Profit available for appropriation	23.26	64.25

Appropriations

Transfer to Lease Equalisation Reserve	1.52	2.23
Transfer to General Reserve	5.00	5.00
Dividend –		
on Preference Shares	0.79	15.00
on Equity Shares	–	22.86
Corporate Dividend Tax	0.09	4.16
Balance carried to Balance Sheet	15.86	15.00
	23.26	64.25

Effective 31st August, 1999, the management was constrained to declare suspension of operations of its Siliguri hotel on account of acute labour problems, indiscipline and deterioration of services. A certain section of the employees of the Siliguri hotel forcibly and illegally took over the operations of the hotel. Upon petition made by the Company, the Hon'ble High Court at Calcutta ordered the Inspector General of Police, North Bengal to take custody of the hotel. The financial records of the Siliguri hotel are therefore, not available

and the results for the year do not incorporate the operating results of the Siliguri unit.

DIVIDEND

In order to conserve resources, your Directors do not recommend any dividend on the equity shares for the year under review. The dividend on preference shares upto the date of redemption has been paid which is being ratified at the ensuing Annual General Meeting.

PERFORMANCE

There has been a considerable drop in sales during the year which is attributed primarily to the suspension of operations of the Siliguri hotel. Apart from the Siliguri unit, the operations of the other units were satisfactory. The company has reported a net profit of Rs.8.26 lacs during the year under review.

SINCLAIR'S RETREAT, DOOARS

Your Directors are pleased to inform the commencement of operations of its luxury resort at Chalsa Hill Top in the Dooars region of North Bengal. The resort is located on the Siliguri-Guwahati Highway, 60 km from Siliguri. The resort has 72 well appointed cottage style rooms, offering eco-friendly and ethnic accommodation. The resort has an unique Ayurvedic Rejuvenation Centre which provides specialised ayurvedic therapies. The resort has received encouraging response from individual tourists as well as for corporate conferencing.

CURRENT & FUTURE PROSPECTS

The management's effort to reach at an amicable settlement for resuming the operations of the Siliguri hotel has been so far futile. The management is committed to enforce discipline, high service quality and appropriate cost control measures which are pre-requisites for successful hotel operations. The performance in the current year would be affected due to suspension of operations in the Siliguri unit.

Inland tourist traffic movement in India has been affected due to competitive tourism policies and packages announced by nearby countries such as Thailand, Singapore, Malaysia and UAE. A substantial portion of the foreign tourist traffic to India is also being diverted to these countries. Tourism industry in India would languish unless a more effective tourism policy is implemented to increase the tourist traffic in India.

The company however continues with its reinforced marketing strategies to improve the occupancy rates in its hotels to offset the damages due to external uncertainties.

DEMATERIALISATION OF SHARES

Effective 24th July, 2000, the shares of the company have been notified under the compulsory dematerialisation segment by the Securities and Exchange Board of India. Your company has signed necessary agreements with the National Securities Depository Limited and the Central Depository Services Limited for dematerialisation of its equity shares for facilitating holding of the equity shares in the electronic form.

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

The operations of your company do not require energy consumption of any significant level. The company also does not use any imported technology. Therefore, information regarding conservation of energy and technology absorption as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors), Rules 1988 are not annexed.

During the year, your company earned Rs.3,19,961 in foreign exchange (Previous year Rs.8,67,403). There was no expenditure in foreign currency.

FIXED DEPOSITS

The fixed deposits of the company as on March 31, 2000 was Rs.89,000. There are no overdue or unclaimed deposits. The company has not accepted any fresh deposits during the year.

LISTING REQUISITES

The equity shares of the company are listed at the Calcutta and Mumbai Stock Exchanges and the annual listing fees for each of these stock exchanges have been paid upto 2000-01.

DIRECTORS

Mr. Pawan Kumar Goenka and Mr Prabir Chakravarti, retire by rotation and being eligible offer themselves for reappointment.

AUDITORS

M/s Mookherjee, Biswas and Pathak, Chartered Accountants, Auditors of the company who retire at the ensuing Annual General Meeting offer themselves for re-appointment.

It is also proposed to reappoint M/s R Ramakrishnan & Co., Chartered Accountants as Branch Auditors in respect of the company's hotel at Ooty.

ACKNOWLEDGEMENT

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

The Directors also wish to thank all the shareholders for their continued support.

Regd. Office :
56A Mirza Ghalib Street
Calcutta 700 016
Dated : 30th June, 2000

On behalf of the Board

Navin Suchanti
Chairman

AUDITORS' REPORT

We have audited the attached Balance Sheet of Sinclairs Hotels and Transportation Limited as at 31st March 2000 and the annexed Profit and Loss Account for the year on that date: -

1. The Report of the Branch Auditors of Ooty Division, M/s R Ramakrishnan & Co., Chartered Accountants, has been received and considered by us in the preparation of this Report.
2. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
3. In our opinion proper books of account as required by law have been kept by the Company so far, as appears from our examination of the books.
4. The Balance Sheet and Profit and Loss Account dealt with by the Report are in agreement with the books of account.
5. In our opinion the Balance Sheet and the Profit and Loss Account complies with the mandatory Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956.
6. In our opinion, and to the best of our information and according to the explanations given to us the said Balance Sheet and Profit and Loss Account, read in conjunction with Notes and Schedules annexed thereto, give in the prescribed manner, subject to Note IX Schedule 19 regarding suspension of operation at Siliguri Hotel and Note X schedule 19 regarding non ascertainment of quantitative details of turnover and consumption of provisions and stores, the information required by the Companies Act, 1956 in the manner to required and also give a true and fair view (i) in the case of Balance Sheet the state of the Company's affairs as at 31st March 2000 and (ii) in the case of Profit & Loss Account of the profit for the year ended on that date.
7. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:

- 7.01 a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
b) The fixed assets of the Company have been physically verified by the Management at the end of the year and no material discrepancies between the booked records and the physical inventory have been noticed.
- 7.02 None of the fixed assets of the Company has been revalued during the year.
- 7.03 The stock of stores, provisions, food, beverage etc have been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- 7.04 In our opinion, the procedures of physical verification of stock followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- 7.05 The discrepancies between the physical stocks and the book stocks have been properly dealt with and those were not material.
- 7.06 In our opinion, the valuation of stocks has been fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
- 7.07 The Company has not taken any loans, secured or unsecured from Companies, Firms and other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and/or Companies under the same Management as defined Under Section 370 (1B) of the Companies Act, 1956.
- 7.08 The Company has not granted any loans, secured or unsecured to Companies, Firms and other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and/or Companies under the same Management as defined under Section 370 (1B) of the Companies Act, 1956.
- 7.09 Interest-free loans and advances in the nature of loans have been given to employees and other parties, who are repaying the principal amounts as stipulated.