

January 11, 2021

Sayaji Hotels Limited: Update on material event

Summary of rating action

Instrument	Current Rated Amount (Rs. crore)	Rating Action
Long-term -Term Loans	68.95	[ICRA]BB+ (Negative); Outstanding
Fund-based- Working Capital Facilities	8.75	[ICRA]BB+ (Negative); Outstanding
Non-fund Based-Working Capital Facilities	0.5	[ICRA]BB+ (Negative); Outstanding
Long-Term Unallocated Limits	15.68	[ICRA]BB+ (Negative); Outstanding
Total	93.88	

Material Event

Sayaji Hotels Limited (SHL) had applied for a loan restructuring relief under the resolution framework for Covid-19-related stress specified by the Reserve Bank of India (RBI). A Resolution Plan (RP) under this framework was expected to be invoked not later than December 31, 2020. Following discussion with its lenders on December 31, 2020, ICRA understands that the company opted out of the RP and in turn has applied for availing loans under the Emergency Credit Line Guarantee Scheme (ECLGS) announced by the Ministry of Finance, Government of India. The Guaranteed Emergency Credit Line (GECL) loans amounting to approx. Rs. 10 crore (out of approx. Rs. 12 crore) had been sanctioned to SHL (consolidated basis) as on January 6, 2021.

Impact of the Material Event

The decision to not go ahead with the RP and availing of the GECL loan does not have any material impact on the credit profile of the company. ICRA's last published rating rationale dated October 23, 2020 ([Click here](#)) had taken note of the company's application for restructuring under the framework for Covid-19-related stress. The company had cleared all its overdue before opting out of the RP and applying for GECL facilities. The same were supported by unsecured loans from promoters/others and cash balances of Rs. 8.9 crores available as on September 30, 2020. Further, the GECL loans are expected to support company's cash flows over the next few quarters, while the operating performance of SHL's portfolio recovers from the impact of the pandemic.

ICRA will continue to monitor the operational and financial performance of the company including its liquidity, in light of the pandemic, and take appropriate rating action as and when required.

The previous detailed rating rationale is available on the following link: [Click here](#).

ANALYST CONTACTS

Subrata Ray

+91 22 6114 3408

subrata@icraindia.com

Shamsher Dewan

+91 124 4545328

shansherd@icraindia.com

Ritu Goswami

+91 124 4545826

ritu.goswami@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee

+91 80 4332 6401

jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

© Copyright, 2021 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents