

March 22, 2024

## Siesta Hospitality Services Limited: Continues to remain in Non-Cooperating category, Rating downgraded based on best available information

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Unallocated	6.74	6.74	[ICRA]D ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]B+(Stable) ISSUER NOT COOPERATING* and continues to remain under 'Issuer Not Cooperating' category.
Long Term- Fund Based-Cash Credit	22.85	22.85	[ICRA]D ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]B+(Stable) ISSUER NOT COOPERATING* and continues to remain under 'Issuer Not Cooperating' category.
<b>Total</b>	<b>29.59</b>	<b>29.59</b>	

\*Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

The rating downgrade reflects Delay in Debt Repayment as mentioned in publicly available sources.

The rating is based on limited information on the entity's performance since the time it was last rated on February 20, 2023. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Siesta Hospitality Services Limited, ICRA has been trying to seek information from the entity so as to monitor its performance Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Policy on Default Recognition</a> <a href="#">Hotels</a>
Parent/Group Support	NA

<b>Consolidation/Standalone</b>	Standalone
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## About the company

Siesta is involved in providing corporate residences at various locations across the country, with amenities as preferred by the corporate. The company's operations are divided across four segments-i) composite (classified as dedicated rooms), ii) stay (non-dedicated rooms), iii) men and maintenance, iv) food and beverages. It enters into a contract with its customers across all the segments, which accounts for around 50-60% of the revenues. The company follows a cost-plus model, passing the cost involved to its customers. It enjoys pan-India presence offering more than 2,400 rooms across 40 plus cities, with reputed multi-national companies in its customer portfolio.

## Status of non-cooperation with previous CRA: NA

## Any other information: None

## Rating history for past three years

Rating history for past three years									
	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
					22-March-2024	20-Feb-2023	27-Jan-2022	27-Nov-2020	19-May-2020
2	Unallocated	Long Term	6.74	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Negative)
3	Fund Based Cash Credit	Long Term	22.85	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Negative)

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Unallocated	Not Applicable
Fund Based-Cash Credit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website [click here](https://www.icra.in)

### Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Unallocated	-	-	-	6.74	[ICRA]D; ISSUER NOT COOPERATING
NA	Fund Based-Cash Credit	-	-	-	22.85	[ICRA]D; ISSUER NOT COOPERATING

Source: Siesta Hospitality Services Limited

### Annexure-2: List of entities considered for consolidated analysis: Not applicable

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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.

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