

Om Sai Hospitality

June 16, 2020

Rating

Facilities	Amount (Rs. crore)	Rating ²	Rating Action
Long Term Bank Facilities	5.55	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer Not Cooperating; Based on best available information
Total Facilities	5.55 (Rupees Five Crore and Fifty Five Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated June 28, 2019, placed the rating(s) of Om Sai Hospitality (OSH) under the 'issuer non-cooperating' category as Om Sai Hospitality had failed to provide information for monitoring of the rating. Om Sai Hospitality continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated May 26, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

Detailed description of the key rating drivers

At the time of last rating on June 26, 2019 the following were the rating strengths and weaknesses:

Key rating Weakness

Delay in servicing of debt obligations: As per interaction with banker, there are delays in servicing of debt obligations. Delays have been due to stretched liquidity position due to irregular payment received from its customers.

Key rating Strengths

Experienced partners in the hospitality industry: The partners of Om Sai Hospitality, Mr. Shekhar Shetty and Mr. Padmanabh Shetty manage the day to day operations of the firm and have extensive experience in the hotel & restaurant business. Mr. Shekhar Shetty operates 'Hotel Priti', a Restaurant and Bar at Bhiwandi, in his own capacity and Mr. Padmanabh Shetty is associated with the Payyade Group of Hotels which operates around a dozen restaurants in Western Mumbai. OSH is likely to benefit from the experience of partners by way of improved services and better understanding customer needs through the experience of the partners.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on default recognition](#)

[Rating Methodology - Wholesale Trading](#)

[Criteria for Short Term Instruments](#)

[Financial ratios – Non-Financial Sector](#)

About the Company

Established in the year 2012 by Mr. Shekhar Shetty and Mr. Padmanabh Shetty, Om Sai Hospitality (OSH) is a partnership firm engaged in the hospitality business and operates a 3-star hotel "Dhiraj Hotel" at Thane. The hotel currently has 35 executive deluxe rooms, 2 suite rooms and a banquet hall and provides amenities such as WiFi, doctor on call, laundry service and valet parking for its guests. The hotel mainly caters to corporate customers and also leisure travellers looking for a budget hotel.

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

Latest Financials: Not available

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based-Long Term	-	-	March, 2019	5.55	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

**Issuer did not cooperate; Based on best available information*

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based-Long Term	LT	5.55	CARE D; ISSUER NOT CO-OPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT CO-OPERATING* (28-Jun-19)	1)CARE D; ISSUER NOT CO-OPERATING* (29-Jun-18)	1)CARE D; ISSUER NOT CO-OPERATING* (08-May-17)

**Issuer did not cooperate; Based on best available information*

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities- NA

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

Name: Mr. Mradul Mishra
Contact no.: +91-22-6837 4424
Email ID: mradul.mishra@careratings.com

Analyst Contact

Name: Mr. Ashish Kambli
Contact No.: 022-67543684
Email ID: ashish.kambli@careratings.com

Relationship Contact

Mr. Saikat Roy

Cell: + 91 98209 98779
E-mail: saiikat.roy@careratings.com

Mr. Ankur Sachdeva

Cell: + 91 98196 98985
E-mail: ankur.sachdeva@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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