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Auromatrix, Others Acquire 34% In Sterling Resorts

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Chennai, Dec 12: Master Licensee of Days Inns Worldwide, Auromatrix Hotels Pvt Ltd (AHPL) and Mr Steve Borgia, president of Sterling Holiday Resorts (India) Ltd (SHRIL) have jointly acquired 34.33 per cent stake of SHRIL. They plan to acquire 36,44,720 equity shares representing 20 per cent holding in SHRIL at Rs 11.15 per share from the company's shareholders.

Addressing a press conference here on Friday, Kumar Sitaraman, chairman and CEO, Days Inn (India) said, "We acquired 22.87 per cent holding through AHPL for Rs 1.65 crore on December 10, while Mr Borgia has bought 11.45 per cent share holding for Rs 41.75 lakh. We will soon be buying out 20 per cent more in the venture subject to ICICI Bank's approval since it is the prime lender to SHRIL."

Star Logistics Pvt Ltd (SLPL), an associate company of AHPL, it may be recalled, had acquired 12.3 per cent stake for Rs 1.5 crore and Mr Borgia had bought 1.26 per cent some time back for Rs 5.5 lakh. Mr Sitaraman said, "We started buying equity in the venture as we wanted to become part owners of SHRIL since it has the largest number of timeshare partners. We would be acquiring a total of 67.88 per cent stake in the company leaving the remaining 32.12 stake to the public."

"Once the whole acquisition process is completed, we will look at restructuring the debt of the company, renovating the resorts, and delivering the commitments that were made," he added. AHPL, he said, based on the strength of its promoters is looking at raising Rs 100 crore in the next one year. "We would be raising Rs 75 crore from the debt market and the rest in the form of equity for part-repayment of SHRIL's debt," he said, adding that the company has already started discussions with financial institutional investors. u

"SHRIL had borrowed Rs 150 crore from FIs and banks at about 25 per cent rate of interest. Through the debt restructuring exercise, AHPL will try to negotiate with the FIs and banks to reduce the rate of interest. We would like to repay Rs 75 crore at the prevailing rate of interest. The balance of Rs 25 crore would be utilised for renovating and working capital requirements," he added.

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