

Ksheer Sagar Developers Private Limited

October 18, 2022

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	38.99	CARE BB (CE); Stable; ISSUER NOT COOPERATING* [Double B (Credit Enhancement); Outlook: Stable ISSUER NOT COOPERATING*]	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	38.99 (₹ Thirty-Eight Crore and Ninety-Nine Lakhs Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

CARE had, vide its press release dated September 13, 2019, placed the rating of Ksheer Sagar Developers Private Limited (KSDPL) under the 'issuer non-cooperating' category as KSDPL had failed to provide information for monitoring of the rating as agreed to in its rating agreement. KSDPL continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated June 12,2022, June 22,2022, June 26,2022, June 27,2022 and July 02,2022. 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.

The rating has taken into account of similar rating action on Royal Orchid Hotels Limited (ROHL; rated CARE BB; Stable; INC) which has provided unconditional and irrevocable corporate guarantee to KSDPL. The rating also takes note of improvement in revenue of ROHL during FY22 after it was impacted amid Covid-19 lockdown during FY21. However, CARE has been unable to interact with company's lenders and auditors to understand ROHL's credit profile to ascertain company's ability to service the debt repayments in timely manner.

Detailed description of the key rating drivers of Royal Orchid Hotels Limited, guarantor

At the time of last rating on July 27, 2021 the following were the rating strengths and weaknesses (updated for the information available from MCA, stock exchange and company's website):

Key Rating Weaknesses

Continued losses in certain subsidiaries/JVs

Icon Hospitality Private Limited and Ksheersagar Developers P Ltd. continue to report net losses and have reported net loss of Rs.5.13 cr and Rs.0.39 cr respectively in FY22.

Key Rating Strengths

Experienced Promoters and long track record of hotel operations

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

The promoter, Mr C K Baljee is an MBA from IIMA and has over three decades of experience in hospitality industry. The company, operating since 1986, has established market presence and over the years has expanded its base to 67 hotels with 4888 keys.

Improved performance during FY22 albeit moderate financial risk profile

TOI improved by 69.52% from Rs. 85.50cr in FY21 to Rs. 144.94 cr in FY22. Company reported profit of Rs.26.78 crore in FY21 as against loss of Rs.40.01 crore in FY21. Company's overall gearing stood at 1.15x as on 31.03.2022 against 1.06x as on 31.03.2021.

Analytical approach: Consolidated.

The bank facilities of KSDPL are backed by unconditional and irrevocable corporate guarantee of Royal Orchid Hotels Limited (ROHL; rated 'CARE BB/Stable; Issuer not cooperating'). Hence, the guarantor's assessment is considered.

Applicable criteria

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Hotel](#)

[Policy in respect of non-cooperation by issuers](#)

About the company

Ksheer Sagar Developers Private Limited operates a 5-star hotel under Hotel Royal Orchid, Jaipur established in April 2011. The hotel having 139 keys is a 50:50 JV between Royal Orchid Hotels Limited (ROHL) and Tambi family based out of Jaipur.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	September 30, 2022(UA)
Total operating income	9.06	16.65	NA
PBILDT	1.45	4.98	NA
PAT	-5.25	-0.39	NA
Overall gearing (times)	-80.81	-41.57	NA
Interest coverage (times)	0.43	1.36	NA

A: Audited, NA: Not available

About the company (ROHL)

ROHL is promoted by Mr. CK Baljee, to carry on the business and management of hotels/ hospitality business. The group largely operates 5-Star/4-Star hotels having presence in 38 locations and 11 states under the brand name Royal Orchid and Regenta. As on March 31, 2022, on consolidated basis, ROHL along with its subsidiaries, associates and JVs, owns/operates/manages 67 hotels with 4888 keys.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	June 30, 2022(UA)
Total operating income	85.50	144.94	63.40
PBILDT	-6.34	30.18	24.02
PAT	-40.01	26.78	11.63
Overall gearing (times)	1.06	1.15	NA
Interest coverage (times)	-0.39	1.79	6.00

A: Audited UA: Unaudited NA: Not Available

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	Not available	38.99	CARE BB (CE); Stable; ISSUER NOT COOPERATING*

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	38.99	CARE BB (CE); Stable; ISSUER NOT COOPERATING*	-	1)CARE BB (CE); Stable; ISSUER NOT COOPERATING* (27-Jul-21)	1)CARE BB+ (CE); Stable; ISSUER NOT COOPERATING* (01-Jul-20)	1)CARE BBB (CE); Stable; ISSUER NOT COOPERATING* (13-Sep-19)

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities Not Applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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