

Royal Orchid Hotels Limited

April 13, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	38.48	CARE B; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB; Stable;

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE had, vide its press release dated September 13, 2019, placed the rating of Royal Orchid Hotels Limited (ROHL) under the 'issuer non-cooperating' category as ROHL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. ROHL continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated April 03,2023, April 06,2023 and April 07,2023. 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 revision in the rating factors in continuing non-cooperation by ROHL in sharing the information with CARE. CARE views inadequate information availability risk as major hindrance to conduct a proper credit risk assessment. Further, 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. CARE also takes note of SEBI's interim order and show cause notice issued to the company on account of de-consolidating Ksheersagar Developers Private Limited.

Analytical approach: Consolidated

Company's financial and operational performance along with its JVs and subsidiaries are considered for analysis due to strong financial, operational and management linkages between them. List of subsidiaries and JVs/associates considered for consolidation is attached as Annexure-6.

Detailed description of the key rating drivers:

Key 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 strengths

Experienced Promoters and long track record of hotel operations

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.

Applicable criteria

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

[Policy on default recognition](#)

[Consolidation](#)

[Financial Ratios – Non financial Sector](#)

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

[Rating Outlook and Credit Watch](#)

[Hotel](#)

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

[Policy on Withdrawal of Ratings](#)

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Consumer Services	Leisure Services	Hotels & Resorts

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)	December 31, 2022(UA)
Total operating income	85.50	144.94	203.15
PBILDT	-6.34	30.18	72.22
PAT	40.01	26.78	36.10
Overall gearing (times)	1.06	1.15	NA
Interest coverage (times)	-0.39	1.79	6.40

A: Audited UA: Unaudited; NA: Not Available ; Note: 'the above results are latest financial results 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

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

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

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	38.48	CARE B; Stable; ISSUER NOT COOPERATING*

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

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 2023-2024	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
1	Fund-based - LT-Term Loan	LT	38.48	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (18-Oct-22)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (27-Jul-21)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (01-Jul-20)

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

LT: Long term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable
Annexure-4: Complexity level of the various instruments rated

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

Annexure-5: Lender details

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

Annexure-6 List of Subsidiaries/ JV's

Sr. No	Name of Company	% of holding by ROHL
1	Icon Hospitality Private Limited	51.07
2	Maruti Comforts & Inn Private Limited	65.22
3	Royal Orchid Hyderabad Private Limited	99.45
4	AB Holdings Private Limited	96.15
5	Royal Orchid Jaipur Private Limited	100.00
6	Royal Orchid South Private Limited	98.90
7	Royal Orchid Associated Hotels Private Limited	92.45
8	Royal Orchid Shimla Private Limited	99.98
9	Royal Orchid Goa Private Limited	99.98
10	Royal Orchid Maharashtra Private Limited	99.98
11	River Shore Developers Private Limited	100.00
12	Royal Orchid Mumbai Private Limited	100.00
13	Cosmos Premises Private Limited	100.00
14	Ksheer Sagar Buildcon Private Limited	50.00
15	Ksheer Sagar Developers Private Limited	50.00
16	Raj Kamal Buildcon Private Limited	50.00
17	J.H. Builders Private Limited	50.00
18	Multi Hotels Limited	100.00

Note on the 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.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Pradeep Kumar V Senior Director CARE Ratings Limited Phone: +91-44-28490876 E-mail: pradeep.kumar@careedge.in</p>	<p>Analytical Contacts</p> <p>Karthik Raj K Director CARE Ratings Limited Phone: 080-46625555 E-mail: karthik.raj@careedge.in</p> <p>Himanshu Jain Assistant Director CARE Ratings Limited Phone: 080-46625555 E-mail: himanshu.jain@careedge.in</p> <p>Sai Srikar Kolluru Analyst CARE Ratings Limited E-mail: Srikar.Kolluru@careedge.in</p>
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About us:

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