# Bharat Hotels Limited (Revised)

May 29, 2023

| Facilities/Instruments | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| Non-convertible debentures | 1,100.00 | CARE BBB-; Stable | Assigned |

Details of instruments/facilities in Annexure-1.

## Rationale and key rating drivers

The rating assigned to the long-term instruments of Bharat Hotels Limited (BHL) derives strength from its long track record of operations in the hospitality business, established brand name and strong relationship with corporate clients and diversified portfolio of mature properties. The rating assigned further factors in the significant improvement in the operational and financial performance of the company as exhibited by improved occupancy levels and Average Room Rate (ARR) during FY23 (provisional) leading to improved profitability at operating level and the expectation of the sustenance of the said performance in the medium term. The rating also takes into account the prescribed tight waterfall mechanism and maintenance of debt-service reserve account (DSRA) by BHL for the rated debt instrument.

The rating assigned is, however, constrained by BHL's leveraged profile and high-cost debt which will impact its coverage indicators, intensifying domestic competition and expansion/entry proposed by international hotels chains, vulnerability of revenues to inherent cyclical nature of the hotel industry and economic cycles. The rating assigned is also constrained by the complex structure of the NCDs, many covenants along with put/call options and New Delhi Municipal Council (NDMC) order.

## Rating sensitivities: Factors likely to lead to rating actions

### Positive factors

- Improvement in interest coverage indicators beyond 3.5x.
- Improvement in total debt to PBILDT to less than 4x.

### Negative factors

- Decline in occupancy level and RevPAR, thereby affecting its liquidity and debt coverage indicators.
- Decline in the PBILDT margin going below 22% on a sustained basis leading to adverse impact on its debt coverage indicators.
- Any adverse order by NDMC against BHL Delhi property or facility call back by investor impacting BHL's credit profile.

## Analytical approach: Consolidated

For analysing BHL, consolidated financials have been considered which includes the support to be extended to two subsidiaries operating under the same for which BHL has issued unconditional and irrevocable corporate guarantee. The list of entities being consolidated:

| Entity | Relation | Shareholding as on March 31, 2022 |
|---|---|---|
| Jyoti Limited | Subsidiary | 99.99% |
| Lalit Great Eastern Kolkata Hotel Limited (LGEKL) | Subsidiary | 90.00% |
| PCL Hotels Limited | Subsidiary | 99.80% |
| Prima Hospitality Private Limited | Subsidiary | 100.00% |
| Kujjal Hotels Private Limited (KHL) | Subsidiary | 50.00% |
| The Lalit Suri Educational & Charitable Trust | Management control | 100.00% |

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

**Outlook:** Stable

Stable outlook reflects that the rated entity is likely to maintain its healthy operating performance in the medium term supported by strong rebound in the industry's and BHL's occupancy and ARR. The uptick in the operating performance shall aid in further improvement in BHL's financial risk profile and its coverage indicators.

## Key strengths

**Long track of operations in the hotel industry with established brand name**

BHL has been operating various hotels in the hospitality industry for more than 30 years. Dr Jyotsna Suri has been associated with BHL since 1989 and was appointed as the Chairperson & Managing Director in 2006. She has an extensive experience of more than two decades in the hospitality industry. She is the Immediate Past President, FICCI, and is currently the Chairperson of FICCI Tourism Committee. The hotels are maintained under the brand 'The LaliT' and the operations are managed by the company itself.

**Improvement in the operational performance and financial risk profile in FY22 and 9MFY23**

During FY22 (refers to the period from April 01 to March 31), there has been significant improvement in the financial and operational performance across properties of BHL. BHL witnessed rise of around 106% in its total income which stood at ₹309.63 crore for FY22 due to low base effect owing to COVID-19. The company's PBILDT margin stood at 36.85% during FY22 as compared with 6.2% in FY21.

The overall gearing ratio stood at 2.57x as on March 31, 2022, as against 2.22x as on March 31, 2021, owing to increase in debt coupled with reduction in the net worth owing to net losses. As, the OTR plan has been completed in the month of January 2023 all debt has been paid off by issuing NCD amounting ₹1,100 crore to Kotak Investment Advisors Limited (KAIL). Leverage continues to be high and solvency indicators are expected to improve going forward with no fresh debt being undertaken and repayments structured through tight waterfall mechanism.

During 9MFY23 provisional (refers to the period April 01 to December 30), there has been improvement in BHL's financial and operational metrics with revenue of ₹568.52 crore and PBILDT margin of 46.53%. This was accompanied by improvement in the occupancy levels to 58% in 9MFY23 (FY22: 33%) and average room revenue (ARR) to ₹8,274. With gradual rebound in the travel demand, CARE Ratings expects the metrics are expected to improve going forward.

**Waterfall mechanism and maintenance of DSRA**

The one-time restructuring (OTR) plan has been completed in the month of January 2023, and all debt has been paid off by issuing NCD amounting ₹1,100 crore to Kotak Investment Advisors Limited (KIAL). The debt is secured by tight waterfall mechanism and maintenance of DSRA. Entire proceeds/master collection will be done in an escrow account out of which 70% will be given to BHL to manage their operational cost and balance 30% will be retained by KIAL. The usage of those 30% of funds will be as follows:

a) First, interest servicing for that quarter
b) Second, DSRA creation in case it is to be replenished.
c) Third, capex requirement and they have to prepare FD for capex requirement for that particular year and the same will be secured with debenture trustee.
d) Finally, balance funds can be used for prepayment and if they do not want to do prepayment then the remaining cashflows will be kept as FD with KIAL which will be lien marked.

Also, BHL can make prepayments out of 70% of proceeds as well. There are no restrictions on prepayment out of the cash flows of the company even during the first 36 months. Apart from this, BHL also has to maintain DSRA of 3 Months of interest and principal due for Series-1, Series-2 and Series-3. For principal, DSRA shall be created from the 120 days for the amount equivalent to amount due at the beginning of the quarter in which it is due. As on March 01, 2023, BHL has created DSRA of ₹24 crore out of ₹35 crore, which needs to be created based on the interest payments.

**Geographically diversified assets marked by a portfolio of 2261 rooms in 12 matured properties with favourable hotel locations and established relationship with corporate clients**

BHL's portfolio is strengthened by its geographical diversification with hotels situated in commercial/industrial cities as well as leisure destinations. BHL (on a consolidated basis) is operating twelve 5-star hotels spread across the major business and tourist destinations of India and all of them are mature properties. As on March 31, 2022; BHL had an inventory of 2,261 rooms in 12 properties. The 12th property started operations in April 2017 at Mangar (Faridabad) with 35 rooms. In addition, BHL holds the exclusive rights to provide management consultancy services in connection with the operation and management of a hotel in London, The LaLiT London, which offered 70 rooms as on March 31, 2021. Out of BHL's portfolio of 12 operating hotels, four are owned, five are on lease and three are licensed comprising 2,261 keys in total. The hotel properties have been developed at various locations in order to leverage on both business and leisure guests. Favourable location of hotel properties lends visibility which coupled with connectivity results in higher occupancy.

The company also operates two business and commercial towers in Delhi, namely, World Trade Centre and World Trade Tower with a total office and commercial space of over 286,000 sq ft spread over eight floors in each tower. Apart from this, the company also operates a commercial tower within the premises of The LaLit Mumbai called The LaLit Residency with office and commercial space of 44,000 sq ft across five floors. The company, over the years, has developed an established relationship with various leading corporate. These tie-ups have been providing BHL with consistent customer sourcing and assured revenue.

## Key weaknesses

**High debt and leveraged capital structure**

The overall gearing ratio stood at 2.57x as on March 31, 2022, as against 2.22x as on March 31, 2021, owing to increase in the debt coupled with reduction in the net worth on account of net losses. Furthermore, due to COVID-19-related business disruptions, BHL had applied for one-time debt restructuring (OTR). Further, in January 2023, BHL repaid all external bank debt through NCDs amounting ₹1,100 crore to (KAIL). The debt repayments of this debt will begin only from March 2026 until then the company has very low principal repayments of ₹29 crore and ₹31 crore in FY24 and FY25 in its two subsidiaries- KHL and LGEKL. Further, the company has to create DSRA of 3 months of principal and interest payments.

Leverage continues to be high and solvency indicators are expected to improve going forward with no fresh debt being undertaken and repayments structured through tight waterfall mechanism.

**Vulnerability of revenues to inherent industry cyclicality, economic cycles and exogenous events**

The operating performance of the properties remain vulnerable to seasonal industry, general economic cycles and exogenous factors (geo-political crisis, terrorist attacks, disease outbreaks, etc.). Nonetheless, the risk to revenues is partially mitigated by BHL's geographically diversified portfolio in prominent business districts, which allows it to withstand any demand vulnerability related to a particular micro-market.

**Regional trends in tourism and competition risk**

Although the risk is mitigated to some extent owing to the geographical diversification and favourable locations of the group's projects, going forward, the pace of the recovery in the economic cycle and stabilisation of the hotel properties in competitive markets will be critical for the company's financial risk profile. In segmental terms, the company's major exposure is towards upscale (luxury) hotels. The company's 'The Lalit' brand faces intense competition from brands like Grand Hyatt, Taj, The Leela, Sahara Star, Hilton, etc.

## **Liquidity**: Adequate

The operational performance has been improving with BHL reporting highest ever PBILDT of ₹275 crore in 9MFY23. Furthermore, BHL has adequate cash and bank balance, which on a consolidated basis stood at around ₹74 crore as on March 25, 2023 and DSRA balance of ₹24 crore. Furthermore, CARE Ratings believes that the liquidity will be adequate in the medium term with no high debt repayments in next 3 years and no major capex plans. The debt repayments of KIAL loan will begin only from March 2026 until then the company has very low principal repayments of ₹29 crore and ₹31 crore in FY24 and FY25 in its two subsidiaries- KHL and LGEKL.

Apart from this, BHL also has to maintain DSRA of 3 months of interest and principal due for all the three series. As on March 01, 2023, BHL has created DSRA of ₹24 crore out of ₹35 crore, which needs to be created based on the interest payments. As discussed with the company management, they also have asset monetisation of few its land parcels in Pune, Amritsar and Goa, which will be utilised towards prepayment of debt of around ₹150-200 crore.

Furthermore, the company had received a termination letter from the New Delhi Municipal Council (NDMC) dated February 13, 2020, about the termination of a land license of a commercial establishment in New Delhi. The company has filed a writ petition to the High Court of Delhi dated March 04, 2020, and the matter is still sub-judice. NDMC has raised a demand of ₹198.77 crore, which may materially impact the financial position of BHL in case of materialisation, and hence, this remains key monitorable.

**Indian hospitality industry outlook**

The Indian hospitality industry has shown resilience, bouncing back from the steep decline in the COVID-19-hit years with sharper inclines thereafter. FY21 was a survival year, FY22 was a revival year, and FY23 has been a growth year for the sector. The strong demand from leisure travel brought much-needed relief to the sector. Even weddings made a comeback with several hotels being completely sold out during the season. The demand outlook for the Indian hospitality industry for FY24 is positive. Domestic leisure travel may not remain as strong as it was in FY23, but it will still be significant and important. FTAs for leisure and medical purposes are picking up, despite growing concerns about recession and global geopolitical issues. Although corporate travel is expected to rise year-on-year in FY24, it may still be impacted by the ongoing global economic uncertainty, as the companies are tapering travel costs and using more technology solutions in place of in-person meetings. In addition, the G20 presidency of India and events such as the ICC World Cup will increase demand for hotels. For, FY24, pan-India average hotel occupancy is expected to be at 67-69%, with ARR at ₹6,200- ₹6,400.

**Assumptions/Covenants:** Please refer to Annexure-3

**Environment, social, and governance (ESG) risks: NA**

### 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 on Withdrawal of Ratings
Consolidation

## About the company and industry

### Industry classification

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

**About the company**
Bharat Hotels Limited (BHL) incorporated in 1981 was founded by Late Lalit Suri and his family members. Presently, the operations of the company are managed by Jyotsna Suri. As on March 31, 2022, BHL on a consolidated basis operates 12 luxury hotels, palaces and resorts under The LaLiT brand and two mid-market segment hotels under The LaLiT Traveller brand across India with total inventory of 2261 rooms.

| Brief Financials (₹ crore) | March 31, 2021 (A) | March 31, 2022 (A) | 9MFY23 (UA) |
|---|---|---|---|
| Total operating income | 150.71 | 309.63 | 568.52 |
| PBILDT | 9.34 | 114.09 | 264.58 |
| PAT | -88.96 | -73.19 | NA |
| Overall gearing (times) | 2.22 | 2.57 | NA |
| Interest coverage (times) | 0.06 | 0.62 | 1.90 |

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

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

**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 (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|---|---|---|---|---|---|---|
| Debentures-Non Convertible Debentures | Series I- INE466A07046 Series II- INE466A07053 Series III- INE466A07061 | 02-Jan-2023 | Series I- 11 Series II & III- 12.60 | Series I- 30-06-2027 Series II & III - 31-12-2027 | 1100.00 | CARE BBB-; Stable |

*Please refer to details of instrument

**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 | Term Loan-Long Term | LT | - | - | - | 1)Withdrawn (27-Feb-23)<br><br>2)CARE BB+ (RWN) (27-Dec-22)<br><br>3)CARE BB+ (CW with Negative Implications) (29-Sep-22)<br><br>4)CARE BB+ (CW with Negative Implications) (01-Apr-22) | 1)CARE BB+ (CW with Negative Implications) (28-Dec-21)<br><br>2)CARE BB+ (CW with Negative Implications) (07-Apr-21) | 1)CARE BBB- (CW with Negative Implications) (26-May-20) |
| 2 | Fund-based-Long Term | LT | - | - | - | 1)Withdrawn (27-Feb-23)<br><br>2)CARE BB+ (RWN) (27-Dec-22)<br><br>3)CARE BB+ (CW with Negative Implications) (29-Sep-22)<br><br>4)CARE BB+ (CW with | 1)CARE BB+ (CW with Negative Implications) (28-Dec-21)<br><br>2)CARE BB+ (CW with Negative Implications) (07-Apr-21) | 1)CARE BBB- (CW with Negative Implications) (26-May-20) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Negative Implications) (01-Apr-22) | | |
| 3 | Fund-based - LT-External Commercial Borrowings | LT | - | - | - | - | 1)Withdrawn (28-Dec-21)<br><br>2)CARE BB+ (CW with Negative Implications) (07-Apr-21) | 1)CARE BBB- (CW with Negative Implications) (26-May-20) |
| 4 | Fund-based - ST-Packing Credit in Foreign Currency | ST | - | - | - | 1)Withdrawn (27-Feb-23)<br><br>2)CARE A4+ (RWN) (27-Dec-22)<br><br>3)CARE A4+ (CW with Negative Implications) (29-Sep-22)<br><br>4)CARE A4+ (CW with Negative Implications) (01-Apr-22) | 1)CARE A4+ (CW with Negative Implications) (28-Dec-21)<br><br>2)CARE A4+ (CW with Negative Implications) (07-Apr-21) | 1)CARE A3 (CW with Negative Implications) (26-May-20) |
| 5 | Non-fund-based - ST-BG/LC | ST | - | - | - | 1)CARE A4+ (27-Feb-23)<br><br>2)Withdrawn (27-Feb-23)<br><br>3)CARE A4+ (RWN) (27-Dec-22)<br><br>4)CARE A4+ (CW with Negative Implications) (29-Sep-22)<br><br>5)CARE A4+ (CW with Negative Implications) (01-Apr-22) | 1)CARE A4+ (CW with Negative Implications) (28-Dec-21)<br><br>2)CARE A4+ (CW with Negative Implications) (07-Apr-21) | 1)CARE A3 (CW with Negative Implications) (26-May-20) |
| 6 | Fund-based - LT-Working Capital Demand loan | LT | - | - | - | 1)Withdrawn (27-Feb-23)<br><br>2)CARE BB+ (RWN) (27-Dec-22) | 1)CARE BB+ (CW with Negative Implications) (28-Dec-21) | 1)CARE BBB- (CW with Negative Implications) (26-May-20) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | 3)CARE BB+ (CW with Negative Implications) (29-Sep-22)<br><br>4)CARE BB+ (CW with Negative Implications) (01-Apr-22) | 2)CARE BB+ (CW with Negative Implications) (07-Apr-21) | |
| 7 | Debentures-Non Convertible Debentures | LT | 1100.00 | CARE BBB-; Stable | | | | |

*Long term/Short term.

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities**

| Name of the instruments (NCD) | Detailed Explanation |
|---|---|
| **A. Financial Covenants** | 1.If EBITDA (quarterly) of the issuer falls by more than 30% in 2 consecutive quarters, non-core asset monetization plan (if any which do not materially affect the revenues of the borrower) like sale of Pune land, Amritsar land and any other land parcels, projects at construction stage, Goa unutilised land and Villas to be accelerated such that ₹50 crore is prepaid per quarter till repayment of ₹200 crore with cure period of 1 quarter.<br>Other financial covenants:<br>1. External debt to adjusted PBILDT shall not exceed 5.50:1<br>2. Adjusted PBILDT to debt serviced shall always exceed 1.1:1<br>3. LTV shall not exceed 50% |
| **B. Non-financial covenants** | NA |

**Details of the instruments**

| Particulars | Instrument (s) Series I | Series II | Series III |
|---|---|---|---|
| Type of Instrument | Non-Convertible Debenture (NCD) | | |
| Size of the issue | ₹400 crore | ₹300 crore | ₹400 crore |
| ISIN | INE466A07046 | INE466A07053 | INE466A07061 |

| Particulars | Instrument (s)<br>Series I | Series II | Series III |
|---|---|---|---|
| Coupon | 11% per annum compounded and payable monthly. Interest shall be calculated on total outstanding amount i.e outstanding principal amount including any accrued interest and default interest (if any) of series 1. Interest shall be paid on a monthly basis from closing date. | **One-time Interest 1:** 2.36% of the Series-2 Investment Amount, to be paid at the end of 12 months from the date of first disbursement.<br>**Monthly Coupon 2:** The instruments shall carry an interest coupon of 12.60% per annum compounded and payable monthly. Interest shall be calculated on total outstanding amount i.e., outstanding principal amount including any accrued interest and default interest (if any) of Series-2. Interest shall be paid on a monthly basis from Closing Date.<br>**Quarterly Coupon 1**: In addition to the Monthly Coupon 2, Investor 2 shall receive a Quarterly Coupon 1 which shall be equal to 3.55% pa. compounded and payable quarterly on the entire outstanding amount i.e., outstanding principal amount including any accrued interest and default interest (if any) of Series-2<br>The above-mentioned Quarterly Coupon 1 shall be payable on quarterly basis from 39th month from the Closing Date. The Quarterly Coupon 1 accrued in first 36 months would be paid at the end of the 36th month from Closing Date. | **One-time Interest 1:** 2.36% of the Series-3 Investment Amount, to be paid at the end of 12 months from the date of first disbursement.<br>**Monthly Coupon 3:** The instruments shall carry an interest coupon of 12.60% per annum compounded and payable monthly. Interest shall be calculated on total outstanding amount i.e., outstanding principal amount including any accrued interest and default interest (if any) of Series-3. Interest shall be paid on a monthly basis from Closing Date.<br>**Quarterly Coupon 2**: In addition to the Monthly Coupon 3, Investor 3 shall receive a Quarterly Coupon 2 which shall be equal to 3.55% pa. compounded and payable quarterly on the entire outstanding amount i.e., outstanding principal amount including any accrued interest and default interest (if any) of Series-3<br>The above-mentioned Quarterly Coupon 2 shall be payable on quarterly basis from 39th month from the Closing Date. The Quarterly Coupon 2 accrued in first 36 months would be paid at the end of the 36th month from Closing Date. |
| Reset date and terms, if applicable | NA | | |
| EOD and Facility Call option in case NDMC obligation arises | In case if Delhi High Court order related to Delhi Property where the annual license fee/premium exceeds more than ₹2.9 crore and /or total liability is greater than ₹25 crore, investors shall have right to recall the entire facility within 60 days from the said order date. The issuer shall repay the amount recalled by the investor within 180 days from the date of high court order. In case the demand is raised, there will be a step up in the interest cost as well for 6%. | | |
| Repayment terms & Maturity | 30-06-2027 | 31-12-2027 | 31-12-2027 |

| Principal Repayment | | INR in Crores |
|---|---|---|
| **Sr. No.** | **Repayment Date** | **Total** |
| 1 | 31-Mar-26 | 62.50 |
| 2 | 30-Jun-26 | 62.50 |

<table>
<tr><th>Particulars</th><th>Instrument (s)<br>Series I</th><th>Series II</th><th>Series III</th></tr>
<tr><td></td><td colspan="3">
<table>
<tr><td>3</td><td>30-Sep-26</td><td>62.50</td></tr>
<tr><td>4</td><td>31-Dec-26</td><td>62.50</td></tr>
<tr><td>5</td><td>31-Mar-27</td><td>116.70</td></tr>
<tr><td>6</td><td>30-Jun-27</td><td>116.63</td></tr>
<tr><td>7</td><td>30-Sep-27</td><td>116.67</td></tr>
<tr><td>8</td><td>31-Dec-27</td><td>500.00</td></tr>
<tr><td></td><td>Total</td><td>1,100.00</td></tr>
</table>
Simultaneous repayments of Series II and Series III respectively from 18th quarter i.e. from June’ 2027 onwards.</td></tr>
<tr><td>Other Terms</td><td colspan="3">Default Interest & Cure Period<br>If the monthly Coupon/ Principal of Series-1/2/3 or any other dues not paid as per the terms of this term sheet, then default interest shall be levied at 6% per annum, in addition to Monthly coupon, on the overdue amount for the period of 30 days from the date of default. The said period is called cure period within which Issuer should cure the default. If the default is not cured within the cure period, then default Interest shall be eligible for the whole outstanding amount as on date.<br>Security<br>3 Months Debt Service Reserve Account (DSRA) for interest and principal due for Series-1, Series-2 and Series-3. For principal, DSRA shall be created from the 120 days for the amount equivalent to amount due at the beginning of the quarter in which it is due.<br>Promoter Holding<br>The promoters will control directly or through their family members 97% ownership in the borrower as long as the investors is not fully exited. No change in the shareholding/partnership or dilution of equity or voting interest shall be permitted in the obligors during the subsistence of the investment, unless specifically approved in writing by promoters.<br>Waterfall mechanism
<ul>
<li>First, statutory payments and employees benefit expenses.</li>
<li>Second, to pay interest including overdue interest of Series-I.</li>
<li>Third, to pay interest (i.e., Monthly and Quarterly Coupons) including overdue interest of Series-2 and Series-3.</li>
<li>Four, to pay principal due for Series-I as per the terms of the NCDs.</li>
<li>Five, to pay principal due for Series-2 and Series-3 as per the terms of the NCDs; It is clarified that principal repayment of Series-2 and Series-3 shall start only once Series-I NCDs are fully redeemed.</li>
<li>Six, for payment of operating expenses of the company as per the projections for the month submitted by the Issuer at the beginning of the month and approved by the Debenture Trustee.</li>
<li>Seven, for the funding of the capital expenditure as per the Business Plan</li>
<li>Eight, investor 1 can pre-pay at their discretion</li>
<li>Nine, Investor 2 and Investor 3 can pre-pay themselves at their discretion</li>
</ul></td></tr>
<tr><td>Purpose</td><td colspan="3">To utilise in pre-payment of existing debt and borrowings</td></tr>
<tr><td>Mode of Issue</td><td colspan="3">Private Placement</td></tr>
<tr><td>Amount o/s as on February 28, 2023</td><td>₹400 crore</td><td>₹300 crore</td><td>₹400 crore</td></tr>
<tr><td>YTM (at last traded price if applicable)</td><td colspan="3">NA</td></tr>
<tr><td>Prepayment clause</td><td colspan="3">Prepayment shall mean prepayment of Series-1, 2 and 3 debentures:<br>a) Prepayment can be done from surplus generated from the operations of borrower at any time without any penalty.<br>b) Prepayment from non-core asset monetisation plan like sale of Pune land, Amritsar land and any other land parcels, projects at construction stage, Goa unutilised land and Villas at any point in time without any penalty up to ₹200 crore.</td></tr>
</table>

## Annexure-4: Complexity level of the various instruments rated

| Sr. No. | Name of the Instrument | Complexity Level |
|---|---|---|
| 1 | Debentures-Non Convertible Debentures | Complex |

**Annexure-5: Lender details**

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|---|
| To view the lender wise details of bank facilities please click here |

**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**


**Media Contact**

Mradul Mishra
Director
**CARE Ratings Limited**
Phone: +91-22-6754 3596
E-mail: mradul.mishra@careedge.in

**Relationship Contact**

Dinesh Sharma
Director
**CARE Ratings Limited**
Phone: +91-11-4533 3200
E-mail: dinesh.sharma@careedge.in

**Analytical Contacts**

Pulkit Agarwal
Director
**CARE Ratings Limited**
Phone: +91-22-6754 3505
E-mail: pulkit.agarwal@careedge.in

Ravleen Sethi
Associate Director
**CARE Ratings Limited**
Phone: +91-11-4533 3251
E-mail: ravleen.sethi@careedge.in

Rohan Bhatnagar
Analyst
**CARE Ratings Limited**
E-mail: Rohan.Bhatnagar@careedge.in

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