

Grand Windsor Resorts Limited

July 22, 2021

Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10.25	CARE BB; Stable; ISSUER NOT COOPERATING* (Double B; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB+; Stable; (Double B Plus; Outlook: Stable)
Long Term / Short Term Bank Facilities	2.50	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (Double B ; Outlook: Stable/ A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB+; Stable / CARE A4+; (Double B Plus ; Outlook: Stable / A Four Plus)
Total Facilities	12.75 (Rs. Twelve Crore and Seventy-Five Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated May 04, 2020, placed the rating of Grand Windsor Resorts Limited (GWRL) under the 'issuer non-cooperating' category as GWRL failed to provide information for monitoring of the rating. GWRL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated April 09, 2021. 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(s).

The ratings have been revised on account of non-availability of requisite information due to non-cooperation by GWRL with CARE's efforts to undertake a review of the outstanding rating. CARE views information availability risk as a key factor in its assessment of credit risk. Further, the ratings continue to be constrained by revenue concentration due to single hotel property, small scale of operations and cyclical & competitive nature of the hospitality industry. The ratings however, derive strength from the experienced promoters, established track record and favourable location of the hotel property along with association with a strong brand "Radisson".

Detailed description of the key rating drivers

Key Rating Weaknesses

Revenue concentration due to single hotel property: Since the company operates a single hotel in Jalandhar, Punjab; its revenue stream remains highly concentrated.

Small scale of operations: The scale of operations of the company remained at a small level with a total operating income of Rs.16.79 cr. in FY20 which declined further from Rs.19.19 cr. in FY19.

Cyclical & competitive nature of the hospitality industry: The Indian hospitality industry is highly fragmented in nature with the presence of a large number of organized and unorganized players spread across various regions. Further the industry's performance is directly dependent on the general economic outlook.

Key Rating Strengths

Experienced promoters and established track record: The main promoter of GWRL, Mr Gautam Kapoor, who is also the current Managing Director of the company, has an experience of over two decades in managing various businesses. Established in 2001, the hotel operated by GWRL also has an established track record of nearly twenty years.

¹Complete 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

Favourable location of the hotel property along with association with a strong brand “Radisson”: The hotel operated by the company is located in Jalandhar, Punjab, where there is a steady footfall and relatively higher spending. Further, the hotel operated by GWRL is run as a franchise of the world-famous hotel brand ‘Radisson’ of Carlson Hotel (South Asia) Private Limited. The hotel is operating since 2001 and has a five-star accreditation from the Ministry of Tourism.

Liquidity: Sufficient information is not available to comment upon the liquidity position of the company.

Analytical approach: Standalone

Applicable Criteria

Policy in respect of Non-cooperation by issuer

Criteria on assigning ‘outlook’ and ‘credit watch’ to Credit Ratings

Financial ratios – Non-Financial Sector

Criteria for Short Term Instruments

CARE’s Policy on Default Recognition

About the Company

Incorporated in 1996, GWR is operating a franchise of the global hotel brand ‘Radisson’ (a five-star hotel) since 2001 in Jalandhar, Punjab. The ‘Radisson’ franchise belongs to the Radisson Hotel Company; a subsidiary of the Carlson Reizder Hotel Group with Carlson Hotels (South Asia) Private Limited its Indian affiliate] operating hotels under the brand names ‘Radisson’, ‘Radisson Blu’ etc., throughout the world. The Radisson Jalandhar hotel is accredited with five-star classifications from Ministry of Tourism, Government of India. The hotel comprises of 56 rooms, 6 suites, 4 banquets, 3 restaurants and 1 bar. Other group concerns of the company include Gardex India Private Limited ((rated ‘CARE A4; Issuer Not Cooperating’)), M/s India Files Manufacturing Company (rated ‘CARE A4; Issuer Not Cooperating’) and Black Jack India Private Limited.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	19.19	16.79
PBILDT	3.43	1.99
PAT	2.00	-0.72
Overall gearing (times)	0.59	0.62
Interest coverage (times)	4.68	2.31

A: Audited

Status of non-cooperation with previous CRA: GWR’s rating with CRISIL has been suspended vide press release dated November-2013 on account of its inability to carry out a rating surveillance in absence of requisite information from the company.

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 - LT-Term Loan	-	-	March-2025	8.00	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	2.25	CARE BB; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-Bank Guarantees	-	-	-	2.50	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*

*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 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Term Loan	LT	8.00	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (04-May-20)	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (06-Dec-18) 2)CARE BBB-; Stable (09-Aug-18)
2.	Fund-based - LT-Cash Credit	LT	2.25	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (04-May-20)	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (06-Dec-18) 2)CARE BBB-; Stable (09-Aug-18)
3.	Non-fund-based - LT/ ST-Bank Guarantees	LT/ST	2.50	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING* (04-May-20)	-	1)CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING* (06-Dec-18) 2)CARE BBB-; Stable / CARE A3 (09-Aug-18)

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated facilities: Not applicable**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple
3.	Non-fund-based - LT/ ST-Bank Guarantees	Simple

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

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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.

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