

Grand Windsor Resorts Limited (Revised)

May 04, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities	10.25	CARE BB+; Stable; ISSUER NOT COOPERATING* (Double B Plus; Outlook: Stable; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Long/Short term Bank Facilities	2.50	CARE BB+; Stable/ CARE A4+; ISSUER NOT COOPERATING* (Double B Plus; Outlook: Stable/ A Four Plus; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Total	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 December 06, 2018, placed the ratings of Grand Windsor Resorts Limited (GWRL) under the 'issuer non-cooperating' category as GWRL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. GWRL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 29, 2020. 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).

Detailed description of the key rating drivers

At the time of last rating on December 06, 2018, the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies):

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.19.19 cr. in FY19 (~5% increase from FY18 on a year-on-year basis).

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. Covid-19 is expected to have a considerable impact on the overall performance of the industry. The company has availed moratorium from its bank in light of COVID-19, as per the extant Reserve Bank of India (RBI) guidelines.

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 sixteen years.

²Complete 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

Favorable 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.

Analytical approach: Standalone

Applicable Criteria

Policy in respect of Non-cooperation by issuer

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

CARE’s Policy on Default Recognition

Financial ratios – Non-Financial Sector

Rating Methodology – Service Sector Companies

Rating Methodology - Hotel Industry

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 Rezidor 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)	FY18 (A)	FY19 (A)
Total operating income	18.20	19.19
PBILDT	3.44	3.43
PAT	1.11	2.00
Overall gearing (times)	0.62	0.59
Interest coverage (times)	5.75	4.68

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* Issuer not cooperating; Based on best available information
Fund-based - LT-Cash Credit	-	-	-	2.25	CARE BB+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - LT/ST-Bank Guarantees	-	-	-	2.50	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	8.00	CARE BB+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (06-Dec-18) 2)CARE BBB-; Stable (09-Aug-18)	1)CARE BBB-; Stable (14-Dec-17)
2.	Fund-based - LT-Cash Credit	LT	2.25	CARE BB+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (06-Dec-18) 2)CARE BBB-; Stable (09-Aug-18)	1)CARE BBB-; Stable (14-Dec-17)
3.	Non-fund-based - LT/ST-Bank Guarantees	LT/ST	2.50	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING* (06-Dec-18) 2)CARE BBB-; Stable / CARE A3 (09-Aug-18)	1)CARE BBB-; Stable / CARE A3 (14-Dec-17)

*Issuer did not cooperate; Based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. 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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