

Grand Windsor Resorts Limited

December 06, 2018

Ratings

Facilities	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; Revised from CARE BBB-; Stable (Triple B Minus; Outlook: Stable) on the basis of 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; Revised from CARE BBB-; Stable/ CARE A3 (Triple B Minus; Outlook: Stable/ A Three) on the basis of best available information
Total	12.75 (Rupees Twelve crore and Seventy Five lakhs only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Grand Windsor Resorts Limited (GWR) to monitor the rating vide e-mail communications/letter dated November 13, 2018, November 26, 2018, November 27, 2018 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the rating. 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. Further Grand Windsor Resorts Limited has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on Grand Windsor Resorts Limited's bank facilities will now be denoted as **CARE BB+/CARE A4+; ISSUER NOT COOPERATING***.

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

The revision in the ratings takes into account GWR's revenue concentration due to a single hotel property, small scale of operations and cyclical & competitive nature of the hospitality industry. These constraints are, however, partially offset by the strength derived from its experienced promoters with established track record of operations and favourable location of the hotel property with company's association with a strong brand 'Radisson'.

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.18.28 crore in FY18 (Provisional).

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 GWR, 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 GWR also has an established track record of nearly sixteen years.

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,

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

the hotel operated by GWR is run as a franchisee 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 to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)

[Financial ratios – Non-Financial Sector](#)

[CARE's methodology for 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 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 (rated 'CARE A3'), M/s India Files Manufacturing Company (rated 'CARE A4+') and Black Jack India Private Limited.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (P)
Total operating income	17.26	18.28
PBILDT	3.17	3.50
PAT	2.98	0.92
Overall gearing (times)	0.16	0.62
Interest coverage (times)	4.57	5.52

A: Audited; P: Provisional

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: NA

Rating History (Last three years): Please refer Annexure-2

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 nearly 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.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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	-	-	-	8.00	CARE BB+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Stable on the basis of best available information
Fund-based - LT-Cash Credit	-	-	-	2.25	CARE BB+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Stable on the basis of best available information
Non-fund-based - LT/ST-Bank Guarantees	-	-	-	2.50	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Stable / CARE A3 on the basis of 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 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Term Loan	LT	8.00	CARE BB+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Stable on the basis of best available information	1)CARE BBB-; Stable (09-Aug-18)	1)CARE BBB-; Stable (14-Dec-17)	1)CARE BB+; Stable (29-Dec-16)	1)CARE BB+ (28-Dec-15)
2.	Fund-based - LT-Cash Credit	LT	2.25	CARE BB+; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Stable on the basis of best available information	1)CARE BBB-; Stable (09-Aug-18)	1)CARE BBB-; Stable (14-Dec-17)	1)CARE BB+; Stable (29-Dec-16)	1)CARE BB+ (28-Dec-15)
3.	Non-fund-based - LT/ST-Bank Guarantees	LT/ST	2.50	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE BBB-; Stable / CARE A3 on the basis of best available information	1)CARE BBB-; Stable / CARE A3 (09-Aug-18)	1)CARE BBB-; Stable / CARE A3 (14-Dec-17)	1)CARE BB+; Stable / CARE A4+ (29-Dec-16)	1)CARE BB+ / CARE A4 (28-Dec-15)

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