

HMP Hotels Private Limited

August 28, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Rating Action
Long-term Bank Facilities	5.10	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Total Facilities	5.10 (Rupees Five crores and Ten lakhs only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated June 07, 2019, placed the rating of HMP Hotels Private Limited under the 'issuer non-cooperating' category as HMP Hotels Private Limited had failed to provide information for monitoring of the rating. HMP continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated August 24, 2020, August 21, 2020 and August 20, 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 ratings.

Detailed description of the key rating drivers

At the time of last rating on June 07, 2019 the following were the rating weaknesses:

Ongoing delays in the servicing of debt obligation: There have been ongoing delays in the servicing of debt obligation. Furthermore, the account has been classified as NPA.

Analytical approach: Standalone

Applicable Criteria:

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning Rating Outlook and Credit Watch](#)

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

[Rating Methodology – Hotel](#)

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

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

About the company

HMP Hotels Private Limited (HMP) was incorporated as a private limited company in August, 2007 but started its commercial operations in September, 2017. The company is currently being promoted and managed by Mr. Kamaljit Singh Hayre, Mr. Jaspal Nagga, Mr. Harmesh Dhiman. The company is running hotel under the name of "Best Western Nawanshahr" in Nawanshahr, Punjab on ~2900 square yards of land with 40,000 square feet of built up area. HMP has a franchise agreement with Best Western International Inc. for its Best Western brand. Besides HMP, the company has one group concern namely, Nakodar Hotels Private Limited (NHPL) and Hayre Regency Private Limited (HRPL).

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

Brief Financials (Rs. crore)	FY18(A)	FY19(A)
Total operating income	1.97	2.35
PBILDT	-0.15	0.05
PAT	-1.62	-1.21
Overall gearing (times)	NM	NM
Interest coverage (times)	-0.21	0.07

A: Audited, NM: Not Meaningful

Status of non-cooperation with previous CRA: Not Applicable

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	-	-	June, 2023	4.60	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	0.50	CARE D; 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 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	4.60	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (07-Jun-19)	1)CARE D (25-Mar-19)	-
2.	Fund-based - LT-Cash Credit	LT	0.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (07-Jun-19)	1)CARE D (25-Mar-19)	-

*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

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:

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Disclaimer

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