

Juniper Hotels Private Ltd

July 03, 2018

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities	70.61	CARE BB; ISSUER NOT COOPERATING (Double B; ISSUER NOT COOPERATING)	"Issuer Not Cooperating; Based on best available information"
Short term Bank Facilities	3.00	CARE A4; ISSUER NOT COOPERATING (A Four; ISSUER NOT COOPERATING)	"Issuer Not Cooperating; Based on best available information"
Total	73.61 (Rs. Seventy Three crore and Sixty One Lakh only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Juniper Hotels Private Ltd. (JHPL) to monitor the rating(s) vide e-mail communications/letters dated 16th March 2018, 14th May 2018, 22nd May 2018, 26th June 2018 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the publicly available information which, however in CARE's opinion is not sufficient to arrive at a fair rating. The rating on Juniper Hotels Private Ltd.'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).

The ratings take into account the experience of the promoters and the established brand name, and the leveraged capital structure on account of debt funded expansion of operations by the company.

Detailed description of the key rating drivers

At the time of last rating based on complete required information on May 19, 2016 the following were the rating strengths and weaknesses (updated for the information available from audited financial statements of FY17):

Key Rating Strengths

Experienced promoters and established brand name:

JHPL is promoted by the Saraf group and Hyatt – both owning 50 % each in JHPL. Saraf group owns six other luxury hotels, namely, The Grand (New Delhi), Grand Hyatt (Mumbai), Hyatt Regency (Chennai), Hyatt Regency (Kathmandu), Hyatt Regency (Kolkata) and Yak & Yeti Hotel (Kathmandu) through group companies.

Moderate occupancy levels for the leased space of Grand Hyatt (Mumbai) Hotel:

The retail space of the hotel is currently occupied to the extent of 58% of the total leasable area of 1.06 lsf. Fit outs for the entire leased area have been done by the clients which act as a deterrent for the tenants to vacate the premises beyond the lock-in period.

Key Rating Weaknesses

Highly leveraged capital structure:

JHPL continues to have a weak financial risk profile, marked by high gearing of 3.93x as on March 31, 2017 (P.Y: 3.93x) on account of ongoing debt-funded capital expenditure. However, JHPL has now prepaid the entire project term loans by availing unsecured loans from J.P. Morgan.

Continued concentration of revenue from a single property; albeit same expected to moderate:

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

The company currently derives revenue mainly from the Grand Hyatt, Mumbai which is operational for more than ten years. With Hyatt Regency Ahmedabad and Andaz Delhi having begun operations, the revenue concentration risk is partially mitigated.

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](#)
[Rating Methodology - Service Sector Companies](#)
[Financial ratios – Non-Financial Sector](#)

About the Company

Juniper Hotels Private Limited (JHPL) belongs to Mr Arun Kumar Saraf (holding 50% through Saraf Hotels Limited, Mauritius) (SHL) and the Hyatt Group (holding 50% through Two Seas Holding Limited, Mauritius) (TSHL). The company owns three 5-star deluxe hotel, 'The Grand Hyatt', at Santacruz (E), Mumbai (operational since December 2004), "The Hyatt Regency" at Ahmedabad (operational since April 2015) & "Andaz Delhi" located in Aerocity New Delhi (operational since December 2016).

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	329.52	392.25
PBILDT	99.99	139.24
PAT	21.69	8.28
Overall gearing (times)	3.93	3.93
Interest coverage (times)	2.13	1.70

Status of non-cooperation with previous CRA: None

Any other information: Not applicable

Rating History for 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.

Analyst Contact:

Name: Arunava Paul
 Tel: 022 67543 667
 Email: arunava.paul@careratings.com

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.

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
Non-fund-based - ST-BG/LC	-	-	-	3.00	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating
Fund-based - LT-Term Loan	-	-	July 2020	55.61	CARE BB; ISSUER NOT COOPERATING* Issuer not cooperating
Fund-based - LT-Cash Credit	-	-	-	15.00	CARE BB; ISSUER NOT COOPERATING* Issuer not cooperating

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.	Non-fund-based - ST-BG/LC	ST	3.00	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating	-	1)CARE A4; ISSUER NOT COOPERATING* (06-Apr-17)	1)CARE A4 (19-May-16)	1)CARE A4 (15-Apr-15)
2.	Fund-based - LT-Term Loan	LT	55.61	CARE BB; ISSUER NOT COOPERATING* Issuer not cooperating	-	1)CARE BB; ISSUER NOT COOPERATING* (06-Apr-17)	1)CARE BB (19-May-16)	1)CARE BB (15-Apr-15)
3.	Fund-based - LT-Cash Credit	LT	15.00	CARE BB; ISSUER NOT COOPERATING* Issuer not cooperating	-	1)CARE BB; ISSUER NOT COOPERATING* (06-Apr-17)	1)CARE BB (19-May-16)	1)CARE BB (15-Apr-15)
4.	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)CARE BB (15-Apr-15)

CONTACT**Head Office Mumbai**

Ms. Meenal Sikchi
Cell: + 91 98190 09839
E-mail: meenal.sikchi@careratings.com

Mr. Ankur Sachdeva
Cell: + 91 98196 98985
E-mail: ankur.sachdeva@careratings.com

Ms. Rashmi Narvankar
Cell: + 91 99675 70636
E-mail: rashmi.narvankar@careratings.com

Mr. Saikat Roy
Cell: + 91 98209 98779
E-mail: saikat.roy@careratings.com

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Ltd.)

Corporate Office: 4th Floor, Godrej Coliseum, Somaia Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

AHMEDABAD

Mr. Deepak Prajapati
32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015
Cell: +91-9099028864
Tel: +91-79-4026 5656
E-mail: deepak.prajapati@careratings.com

JAIPUR

Mr. Nikhil Soni
304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.
Cell: +91 – 95490 33222
Tel: +91-141-402 0213 / 14
E-mail: nikhil.soni@careratings.com

BENGALURU

Mr. V Pradeep Kumar
Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.
Cell: +91 98407 54521
Tel: +91-80-4115 0445, 4165 4529
Email: pradeep.kumar@careratings.com

KOLKATA

Ms. Priti Agarwal
3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.
Cell: +91-98319 67110
Tel: +91-33- 4018 1600
E-mail: priti.agarwal@careratings.com

CHANDIGARH

Mr. Anand Jha
SCF No. 54-55,
First Floor, Phase 11,
Sector 65, Mohali - 160062
Chandigarh
Cell: +91 85111-53511/99251-42264
Tel: +91- 0172-490-4000/01
Email: anand.jha@careratings.com

NEW DELHI

Ms. Swati Agrawal
13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.
Cell: +91-98117 45677
Tel: +91-11-4533 3200
E-mail: swati.agrawal@careratings.com

CHENNAI

Mr. V Pradeep Kumar
Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.
Cell: +91 98407 54521
Tel: +91-44-2849 7812 / 0811
Email: pradeep.kumar@careratings.com

PUNE

Mr. Pratim Banerjee
9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, Senapati Bapat Road,
Shivaji Nagar, Pune - 411 015.
Cell: +91-98361 07331
Tel: +91-20- 4000 9000
E-mail: pratim.banerjee@careratings.com

COIMBATORE

Mr. V Pradeep Kumar
T-3, 3rd Floor, Manchester Square
Puliakulam Road, Coimbatore - 641 037.
Tel: +91-422-4332399 / 4502399
Email: pradeep.kumar@careratings.com

CIN - L67190MH1993PLC071691

HYDERABAD

Mr. Ramesh Bob
401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.
Cell : + 91 90520 00521
Tel: +91-40-4010 2030
E-mail: ramesh.bob@careratings.com