

Orbit Resorts Limited

September 25, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	-	-	Reaffirmed at CARE D, Issuer not cooperating and withdrawn
Total Facilities	-		

Details of facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has reaffirmed and withdrawn the outstanding ratings of 'CARE D; ISSUER NOT COOPERATING' [Single D; ISSUER NOT COOPERATING] assigned to the bank facilities of Orbit Resorts Ltd (ORL) with immediate effect. The above action has been taken at the request of Orbit Resorts Ltd (ORL) and 'No Objection Certificate' received from the bank(s) that have extended the facilities rated by CARE

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 September 23, 2019 the following were the rating weaknesses and strengths. *(Updated for the information available from lenders discussion)*

Key Rating Weaknesses

Delays in debt servicing

As reported by the bankers, there have been delays in payment of principal and interest of upto 30 days in ORL. These were mainly on account of mismatch of cash flows as well as payment of some tax liabilities by the company.

Key rating Strengths

Tie up with the EIH group and favorable location

ORL had entered into an 'Operating and Management Agreement' with EIH Ltd., a leading hotel and leisure company, for operations and management of both the hotels. EIH Ltd is a fully integrated owner and operator of hotels, resorts and cruises with internationally renowned luxury brands, The Trident and The Oberoi. The established brand of The Oberoi and Trident and long experience of EIH in management of hotels reduces the management & marketing risk to a great extent.

Analytical approach: Standalone

Applicable Criteria

[Policy on Withdrawal of ratings](#)

[Criteria on assigning Outlook to Credit Rating](#)

[CARE's default recognition policy](#)

[Financial ratios - Non Financial Sector](#)

[CARE's methodology for Service Sector companies](#)

About the Company

Orbit Resorts Ltd (ORL), incorporated in March 1988, is promoted by Mr. Sukhbir Singh, Deputy Chief Minister of Punjab. The company is engaged in hospitality business and owns two 5-star hotels in Gurgaon viz. Trident and Oberoi. Also, the company has a passenger bus transport business.

Hotel properties: Oberoi Gurgaon: The hotel commenced operations in March 2011 and is a 202 rooms property with 2 restaurants, a bar, a cigar lounge, a private club, a bakery shop, fitness and spa facility and conference and banquet facilities. The hotel is located in the prime business and shopping district of Gurgaon and is a 15 minute drive from Delhi International Airport. Trident Gurgaon: It is a 5-Star hotel having 136 rooms, 3 dining restaurant, 2 bars, a spa and conference and banquet facilities. The hotel has been operational since Feb 2004. The hotel is situated right next to the Oberoi hotel.

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

Financial Performance.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total Operating Income	276.52	297.70
PBILDIT	68.05	61.71
PAT	8.74	-3.17
Overall Gearing (times)	1.92	1.86
Interest coverage (times)	2.32	2.04

A: Audited

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	-	-	-	-	Withdrawn

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	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (23-Sep-19)	1)CARE D; ISSUER NOT COOPERATING* (03-Apr-18)	-
2.	Fund-based - LT-Cash Credit	-	-	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (03-Apr-18)	-

Annexure 3: Complexity level of various instruments rated for this Company

Sr. No.	Name of the Instrument	Complexity Level
1.	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.

Contact us

Media Contact

Name: Mr. Mradul Mishra
Contact no.: +91-22-6837 4424
Email ID: mradul.mishra@careratings.com

Analyst Contact:

Name: Mr. Nitesh Ranjan
Contact no.: +91-11- 45333239
Email ID: nitesh.ranjan@careratings.com

Relationship Contact

Name: Mrs. Swati Agrawal
Contact no. : +91-11-45333200
Email ID: swati.agrawal@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 the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. 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. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, 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. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**