

## Press Release

### Ishwar Resort Hotels Private Limited

March 29, 2017

### Rating Upgraded

<b>Total Bank Facilities Rated*</b>	Rs. 29.20 Cr.
<b>Long Term Rating</b>	SMERA B- / Outlook: Stable

\* Refer Annexure for details

### Rating Rationale

SMERA has upgraded long-term rating of '**SMERA B-** (read as **SMERA B minus**)' on the Rs. 29.20 crore bank facilities of Ishwar Resort Hotels Private Limited. The outlook is '**Stable**'.

Ishwar Resort Hotels Private Limited (IRHPL) was incorporated in 2011 to construct 'Vanya Mahal', a resort cum hotel at Sawai Madhopur, Rajasthan. The company was promoted by Mr. Zuberi Khan and Mr. Shri Chand Sigar. The commercial operations commenced in October, 2015.

### Key Rating Drivers

#### Strengths

- **Experienced management**

The promoters, Mr. Shri Chand Sigar and Mr. Zuberi Khan possess over two decades of experience in the abovementioned line of business having successfully implemented two projects - Hotel Apno Rajasthan and Holiday Resorts. Besides, the close proximity of the hotel to Ranthambore National Park is expected to increase the flow of tourists.

#### Weaknesses

- **Moderate scale of operations**

The scale of operations is moderate evident from the revenue of Rs. 5.42 cr for FY2015-16. The company recorded revenue of Rs. 6.30 cr from April 2016 to January 2017 (provisional).

- **Nascent stage of operations**

The company has developed a luxury hotel cum resort 'Vanya Mahal', at Sawai Madhopur, RIICO Industrial Rajasthan with 34 villas and 80 deluxe rooms in a tie-up with Carlson Rezidor Hotels Group (CRHG). The commercial operations commenced from October, 2015.

- **Average financial risk profile**

The financial risk profile is average marked by high gearing of 9.84 times as on March 31, 2016 which includes unsecured loan of Rs. 14.23 cr as on March 31, 2016. The coverage indicators are average with interest coverage ratio (ICR) of 1.48 times and debt coverage ratio (DSCR) of 1.34 times for FY2015-16.

#### Analytical Approach

SMERA has considered the standalone business and financial risk profiles of the company to arrive at the rating.

#### Outlook: Stable

SMERA believes that IRHPL will maintain a 'Stable' outlook and benefit over the medium term from its experienced management. The outlook may be revised to 'Positive' in case of higher than expected revenues and improvement in profit margins. Conversely, the outlook may be revised to 'Negative' in

case of decline in profit margins and deterioration in the financial risk profile.

#### About the Rated Entity - Key Financials

For FY2015-16, IRHPL reported loss of Rs.1.20 cr on operating income of Rs.5.41 cr. The network of the company stood at Rs. 4.37 cr as on March 31, 2016.

#### Status of non-cooperation with previous CRA (if applicable)

None

#### Any other information

None

#### Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Entities In Services Sector - <https://www.smera.in/criteria-services.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

#### Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

#### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
30-Aug-2016	Term Loan I	Long Term	INR 21.81	SMERA D
	Term Loan II	Long Term	INR 7.39	SMERA D
11-Jun-2015	Term Loan I	Long Term	INR 21.81	SMERA B / Stable
	Term Loan II	Long Term	INR 7.39	SMERA B / Stable

#### \*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	1-Mar-2023	21.81	SMERA B- / Stable
Term loans	Not Applicable	Not Applicable	1-Mar-2023	7.39	SMERA B- / Stable

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### ABOUT SMERA

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