

Press Release

H S India Limited

May 22, 2020

Rating Update



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|-------------------------------------|---|
| Total Bank Facilities Rated* | Rs.19.80 Cr. # |
| Long Term Rating | ACUITE BB- (Downgraded from ACUITE BB) Issuer not co-operating* |

Refer Annexure for details

* The issuer did not co-operate; based on best available information.

Acuité has reviewed and downgraded the long-term rating to '**ACUITE BB-' (read as ACUITE double B minus)** from '**ACUITE BB' (read as ACUITE double B)** on the Rs.19.80 crore bank facilities of H S India Limited (HSIL). This rating is now an indicative rating. The rating is downgraded on account of the information risk and is based on best available information in public domain.

HSIL was incorporated in 1989 in the name of Hotel Silver Plaza Private Limited. Subsequently in 1997, the constitution has been changed to public limited company and listed on Bombay Stock Exchange. HSIL operates a three-star hotel under the name 'Lords Plaza' and has entered into an agreement with Lords INN Hotels and Developers Limited to use brand name 'Lords'. The hotel comprises of 134 rooms, a multicuisine restaurant under the name 'Blue Coriander' and a sky grill restaurant under the name 'Lime tree'; six banquet halls and one liquor shop. The 'Lords Plaza' hotel is situated at Surat (Gujarat) and commenced its commercial operations in 1989.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Entities In Services Sector - <https://www.acuite.in/view-rating-criteria-8.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

| | Unit | FY19 (Actual) | FY18 (Actual) |
|-------------------------------|---------|---------------|---------------|
| Operating Income | Rs. Cr. | 28.94 | 26.82 |
| PAT | Rs. Cr. | 1.77 | 1.93 |
| PAT Margin | (%) | 6.11 | 7.19 |
| Total Debt/Tangible Net Worth | Times | 0.53 | 0.73 |
| PBDIT/Interest | Times | 3.06 | 2.55 |

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

India Ratings, vide its press release dated April 08, 2020 had updated the rating of H S India Limited as 'IND BB+/Stable (Issuer Not Cooperating)' on account of lack of adequate information required for monitoring of ratings.

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|--------------|---------------------------------|-----------|------------------|-------------------------------|
| 12-Mar-2019 | Term Loan | Long Term | 15.75 | ACUITE BB/Stable (Reaffirmed) |
| | Proposed Term Loan | Long Term | 4.05 | ACUITE BB/Stable (Reaffirmed) |
| 12-Sept-2018 | Term Loan | Long Term | 17.85 | ACUITE BB/Stable (Assigned) |
| | Proposed Term Loan | Long Term | 1.95 | ACUITE BB/Stable (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings |
|------------------------|------------------|----------------|----------------|-----------------------------|--|
| Term Loan | Not Applicable | Not Applicable | March 2022 | 15.75 | ACUITE BB- Downgraded from ACUITE BB; Issuer not co-operating* |
| Proposed Term Loan | Not Applicable | Not Applicable | Not Applicable | 4.05 | ACUITE BB- Downgraded from ACUITE BB; Issuer not co-operating* |

*The issuer did not co-operate; based on best available information.

Contacts

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|--|---|
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About Acuite Ratings & Research:

Acuite Ratings & Research Limited (erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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