

Press Release
GOLDFINCH RESORTS PRIVATE LIMITED
February 18, 2025
Rating Reaffirmed and Withdrawn



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	112.59	ACUITE BBB- Reaffirmed & Withdrawn	-
Bank Loan Ratings	15.00	Not Applicable Withdrawn	-
Bank Loan Ratings	6.41	-	ACUITE A3 Reaffirmed & Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	134.00	-	-

Rating Rationale

Acuite has reaffirmed and withdrawn its long-term rating of ‘**ACUITE BBB-**’ (read as **ACUITE Triple B Minus**) on the Rs. 112.59 Cr. and short-term rating of ‘**ACUITE A3**’ (read as **ACUITE A Three**) on the Rs.6.41 Cr. bank facilities of Goldfinch Resorts Private Limited (GRPL).

Acuite has also withdrawn its long-term rating on the Rs.15.00 Cr. proposed bank facilities of Goldfinch Resorts Private Limited (GRPL). The same is withdrawn without assigning any rating as it is a proposed facility.

The rating withdrawal is in accordance with the Acuite’s policy on withdrawal of rating as applicable to the respective facility / instrument. The rating is being withdrawn on account of request received from the company and NOC(No Objection Certificate) received from the lender.

Rationale for reaffirmation:

The rating reaffirmation takes into account the improvement in the scale of operations and profitability in FY2024. Further, it considers extensive experience of the promoters of more than three decades in the hospitality and land aggregation business. Growth in revenue is primarily contributed by healthy bookings throughout the year and revenue from the Joint development agreement with Prestige Estates Projects Limited. Further, the rating also factors in the strong support of MRG Group to GRPL by way of unsecured loans and corporate guarantee. The rating is, however, constrained by below average financial risk profile.

About the Company

Incorporated in 2011, Goldfinch Resorts Private Limited (GRPL) is engaged in hospitality business and owns a hotel in Goa managed by ‘Hilton Worldwide’. GRPL is a part of MRG Group and Trishul Buildtech and Infrastructure Private Limited (TBIPL) is the flagship company of the group. GRPL is a step-down subsidiary of TBIPL. GRPL has recently entered in to real estate business to acquire and monetize land parcels as well as develop residential/commercial property.

About the Group

MRG group is promoted by Mr. K. Prakash Shetty along with his family members and is in the business for almost three decades. TBIPL is a flagship company of the MRG Group. The group has the following two verticals Hospitality Business- Running hotel at Bangalore under brand Marriott. The group also operates hotels under three brands- Goldfinch, Marriott and Hilton through its subsidiaries. Acquiring and monetizing land parcels through various avenues like Revenue Sharing and Joint Development Agreement (JDA) among others.

Unsupported Rating

Acuite BB-/Stable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of GRPL and has also factored in the

support from MRG Group by way of unsecured loans, corporate guarantee amongst others. The unsecured loans have been treated as debt as the same are interest bearing, not subordinated to bank debt and are repayable in nature.

Key Rating Drivers

Strengths

- **Experienced promoters, established track record of operations and continuous support from TBIPL**

MRG Group, founded by Mr. K. Prakash Shetty, is a well-established group having an operational track record of more than three decades in the hospitality and land aggregation business. The promoters of the group have an experience of almost three decades in the aforementioned line of business. Mr. Gaurav Shetty is the Managing Director of TBIPL. The long track record of operations and experience of the management have helped the group to develop healthy relationships with large developers such as Prestige Group. GRPL's liquidity has been continuously supported by financial support from its parent company – TBIPL. TBIPL has been infusing unsecured loans in GRPL which has been utilized towards repayment obligations.

- **Improving scale of operations**

The company witnessed a significant improvement in its operating revenue marked by y-o-y growth of 68.87 percent in FY 2024, which stood at Rs.110.98 Cr. in FY2024 as against Rs.65.77 Cr. in FY2023. Revenue consist of income from hotels, foods & beverages, casinos and revenue share from joint development. This growth in revenue is primarily contributed by healthy booking throughout the year and JDA with Prestige Estates Projects Limited (Real estate revenue). During FY2024, revenue from hotels, food and beverages stood at Rs.63.67 Cr. against the revenue of Rs.57.72 Cr of the previous year, revenue from JDA stood at Rs. 36.00 Cr. The average occupancy during 12 months' period of FY24 improved to ~83 percent. Further, the operating profit margin improved to ~67.88 percent in FY2024 from 31.42 percent in FY2023.

Weaknesses

- **Below-average financial risk profile**

The company's financial risk profile is below average, marked by negative net worth, high gearing and moderate debt protection metrics. The net worth of the company stood negative at Rs.0.48 Cr and Rs.30.95Cr as on March 31, 2024, and 2023, respectively on account of historical losses. However, there is improvement in net worth is due to the profits in FY2024. Gearing of the company stood negative at 534.35 times on March 31, 2024, against negative at 8.72 times as on March 31, 2023. Debt protection metrics—interest coverage ratio and debt service coverage ratio—stood at 3.53 times and 1.55 times as on March 31, 2024, respectively, as against 1.35 times and 1.07 times as on March 31, 2023, respectively. TOL/TNW (Total outside liabilities/Total net worth) stood negative at 729.92 times and 8.89 times as on March 31, 2024, and 2023, respectively. The debt to EBITDA of the company stood at 3.31 times as on March 31, 2024, as against 12.31 times as on March 31, 2023. The improvement is on account of improved EBTIDA in FY2024.

Rating Sensitivities

Not Applicable

Liquidity Position: Adequate

GRPL's liquidity is adequate, marked by adequate net cash accruals as against maturing debt obligations. The company generated cash accruals of Rs.43.88 Cr in FY2024, while its maturing debt obligations were Rs. 20.68 Cr during the same period.

Outlook: Not applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	110.98	65.77
PAT	Rs. Cr.	30.58	(6.18)
PAT Margin	(%)	27.56	(9.39)
Total Debt/Tangible Net Worth	Times	(534.35)	(8.72)
PBDIT/Interest	Times	3.53	1.35

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

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
23 Nov 2023	Bank Guarantee (BLR)	Short Term	6.41	ACUITE A3 (Reaffirmed)
	Working Capital Term Loan	Long Term	22.37	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	105.22	ACUITE BBB- Stable (Reaffirmed)
25 Aug 2022	Bank Guarantee (BLR)	Short Term	6.41	ACUITE A3 (Reaffirmed)
	Proposed Term Loan	Long Term	22.37	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	105.22	ACUITE BBB- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of Baroda	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.41	Simple	ACUITE A3 Reaffirmed & Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	Not Applicable Withdrawn
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Feb 2031	75.09	Simple	ACUITE BBB- Reaffirmed & Withdrawn
Bank of Baroda	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Sep 2028	37.50	Simple	ACUITE BBB- Reaffirmed & Withdrawn

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr.No.	Company Name
1	MRG group
2	Trishul Buildtech and Infrastructure Private Limited
3	Goldfinch Resorts Private Limited

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