

Press Release

GHK Hospitality And Infrastructures Limited

July 03, 2024

Rating Reaffirmed and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	46.00	ACUITE C Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	46.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE C**' (read as **ACUITE C**) on the Rs.46 Cr. Non-Convertible Debentures of GHK Hospitality and Infrastructures Limited (GHIL). The rating is now being flagged as "Issuer Not Cooperating" in line with existing SEBI regulations and Acuite's policy in respect of 'What Constitutes Non-Cooperation' and is based on best available information.

About the Company

Pune-based GHK Hospitality and Infrastructures Limited (GHIL) (formerly known as St. Larn Hotels Limited) was incorporated in 2007. GHIL is a single hotel company that owns the 5-star hotel named "Welcomhotel" in Ahmedabad. The centrally located business hotel is a 131-key property at Ashram Road which is the commercial business district in Ahmedabad. GHIL is a closely held company, with the members of the Karia family holding 100% of the equity. The company is currently run under the leadership of Mr. Rajesh Gopichand Karia and Mr. Suunil Gopichand Kariyaa.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

The team had sent repeated reminders to the Company for latest information; however, despite multiple requests; the Company's management has not sent the required documents and are yet to submit the final latest documents for assigning the rating. Acuite 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 Acuite's policies.

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). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	25.53	4.16
PAT	Rs. Cr.	(9.48)	(10.01)
PAT Margin	(%)	(37.13)	(240.48)
Total Debt/Tangible Net Worth	Times	(2.80)	(3.50)
PBDIT/Interest	Times	0.52	(0.61)

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite 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
05 Jul 2023	Non-Convertible Debentures (NCD)	Long Term	46.00	ACUITE C (Assigned)
	Non-Convertible Debentures (NCD)	Long Term	4.00	ACUITE Not Applicable (Withdrawn)
07 Dec 2022	Non-Convertible Debentures (NCD)	Long Term	50.00	ACUITE Provisional C (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	INE314Y07014	Non-Convertible Debentures (NCD)	06 Jan 2023	20	22 Feb 2024	Simple	46.00	ACUITE C Reaffirmed Issuer not co- operating*

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in Nidhi Gala Associate Analyst-Rating Operations Tel: 022-49294065 nidhi.gala@acuite.in	Varsha Bist Associate Vice President-Rating Administration Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.