

Press Release

PINNACLE RESORTS PRIVATE LIMITED

June 17, 2024

Rating Downgraded and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Sr
Bank Loan Ratings	71.20	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	71.20	-	-

Rating Rationale

Acuite has downgraded its long-term rating to 'ACUITE BB+' (read as ACUITE Double B plus) from 'ACUITE BBB' (read as ACUITE Triple B) on Rs. 71.20 crore bank facilities of Pinnacle Resorts Private Limited. This rating is now an indicative rating and is based on best available information and is on account of information risk .

Rationale for Downgrade

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.

About the Company

Incorporated in 2007, M/s. Pinnacle Resorts Private Limited (PRPL) is engaged in the hotel business in Gulmarg, Jammu and Kashmir. PRPL is part of the 'Khyber Group', in Jammu and Kashmir. The Khyber" is t he only 5 st ar Ski-resort propert y in Gulmarg, located at an elevat ion of 8,825 ft . in the Pir Panjal range of the Himalayas. The company started its commercial operations in December, 2012 under the leadership of Mr. Umar Khurshid Trumboo, Mr. Khalil Quayoom Trumboo and Mr. Yunus Quayoom Trumboo. The promoters have over a decade of experience in hospitality business. Khyber, is a preferred destinat ion for celebrit ies, polit icians, business t ycoons and corporat e houses. PRPL's resort has been operating from the past 10 years in the luxury segment category where it has 85 rooms with occupancy level around 81% in 11MFY23 v is-à-v is 68% in FY22.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuite 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 the due date. 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 base.

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 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	78.74	27.15
PAT	Rs. Cr.	18.23	0.99
PAT Margin	(%)	23.15	3.64
Total Debt/Tangible Net Worth	Times	2.49	7.08
PBDIT/Interest	Times	5.59	2.43

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, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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
28 Mar 2023	Cash Credit	Long Term	1.20	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	70.00	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
The Jammu and Kashmir Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.20	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
The Jammu and Kashmir Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	70.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)

Contacts

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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.

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