



Press Release
SANTLA DEVI RESORTS PRIVATE LIMITED
September 09, 2024
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	94.00	ACUITE C Assigned	-
Total Outstanding Quantum (Rs. Cr)	94.00	-	-

Rating Rationale

ACUITE has assigned its long term rating of '**ACUITE C**' (read as **ACUITE C**) on the proposed non-convertible debentures of Rs.94.00 Crore of Santladevi Resorts Private Limited (SRPL).

Rationale for Rating

The assigned rating has factored in the delays in servicing debt obligations as per reflected in CRIF High Mark Report. Further, there are stretches in liquidity as the resort project has been delayed several times since its inception in 2019 And is now expected to be completed by June 2025. The revenues generated from the project would be directly co-related with the debt repayment ability of the project and would remain a key monitorable.

About the Company

Uttarakhand based, Santladevi Resorts Private Limited was established in 2008. The company is currently managed by Mr. Pratibha Saini, Mr. Antriksh Saini Kumar, Mr. Anmol Saini and Mr. Avishkar Saini. The company engaged in implementation and operation of 5-Star Hotel cum Resorts.

Unsupported Rating

Not applicable.

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Santladevi Resorts Private Limited to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management and brand tied-up

The promoters of the company are experienced and having establish presence in Dehradun. The company is currently managed by Dr. Pratibha Saini, Dr. Antriksh Saini Kumar, Mr. Anmol Saini and Dr. Avishkar Saini. Further, the company also got an offer from well-known brand 'Marriot International' to operate the Santladevi resorts as a 5-star category resort under the brand name of 'Le Meridien Resorts and Spa'.

Weaknesses

Expose to Implementation and Off-Take Risk

Initially in 2019, the company has embarked upon the journey to implement a 3-star category resort, however, during the preliminary stages of implementation, company got an offer to operate 5-star category resort under the brand name of 'Le Meridien Resorts and Spa'. The project was delayed on an account of changes in the design, layout and pandemic. Further,

the SRPL is expecting to complete the project by June 2025. Acuite believes that the timeliness in completion of project and its demand off-take would remain a key monitorable over the medium term.

Rating Sensitivities

- Timely completion of capital expenditure.
- Timeliness in payment of debt obligations
- Managing the capital structure in an efficient manner.

Liquidity Position

Poor

The operations of the company haven't started yet and there are frequent delays to service repayment obligations which lead to poor liquidity profile of the SRPL.

Outlook

Not applicable.

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	0.00	0.00
PAT	Rs. Cr.	0.00	0.00
PAT Margin	(%)	0.00	0.00
Total Debt/Tangible Net Worth	Times	(5.38)	(5.26)
PBDIT/Interest	Times	(1.30)	0.00

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

None.

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>

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 :

Not applicable.

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	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	88.00	ACUITE C Assigned
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	6.00	ACUITE C Assigned

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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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