



Press Release

SR JUNGLE RESORTES PRIVATE LIMITED (ERSTWHILE SR JUNGLE RESORT)

April 01, 2025

Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	60.00	ACUITE BBB- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	60.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long-term rating of ‘**ACUITE BBB-**’ (read as **ACUITE Triple B minuso**)n the Rs.60.00 Cr. bank facilities of SR Jungle Resorts Private Limited (Erstwhile SR Jungle Resort)(SRJRPL). The outlook is ‘**Stable**’.

Rationale for rating assigned:

The rating assigned reflects the company’s established track record of operations and the extensive experience of the promoters of more than a decade in the hospitality business. It is further supported by consistent revenue growth, supported by healthy bookings throughout the year, additional activities (food and beverages, rides, games for kids, adventure games) and locational advantage. The rating also considers the company’s moderate financial risk profile, with a moderate capital structure, low gearing and moderate working capital management.

However, the rating remains constrained by the concentration risk associated with operating a single-location property and the highly competitive nature of the industry.

About the Company

SR Jungle Resorts Private Limited (Erstwhile SR Jungle Resort) was incorporated in 2017 at Anaikatti, Coimbatore, as a partnership firm. In 2023, the company changed its constitution to a private limited company, now known as SR Jungle Resorts Private Limited. The company is engaged in running resorts and providing other related services. Mr. Janarthan Santhoosh and Mrs. Motcha Priya are the directors of the company. The company owns and operates a resort with a total of 83 rooms, along with other amenities such as bars, a banquet hall, a spa, and more.

Unsupported Rating

Not Applicable

Analytical Approach

For arriving at the ratings, Acuite has considered the standalone business and financial risk profile of SRJRPL.

Key Rating Drivers

Strengths

- **Experienced management**

SR Jungle Resorts Private Limited (Erstwhile SR Jungle Resort) was incorporated in 2017 by Mr. Santhosh and Mrs. S. Motchapriya as a partnership firm. It was later converted into a private limited company in 2023.

The company is in the business of managing resorts, with experienced promoters in the hospitality industry. The promoters are well-qualified in the management sector and have been experienced in the field of resorts and various other types of businesses for the past decade. Acuité believes that SRJRPL will continue to benefit from its experienced management and established track record of operations.

- **Significant improvement in operating revenue and location advantage**

The company witnessed a significant improvement in its operating revenue, marked by a year-on-year growth

of 31.68 percent in FY 2024, which stood at Rs. 52.96 Cr. in FY 2024 as against Rs. 40.22 Cr. in FY 2023. This significant improvement in revenues is due to the addition of rooms, an year-on-year increase in ARR, and additional revenue from food and beverages, as well as activities like rides, games for kids, and adventure games. Furthermore, the company achieved revenues of Rs. 54.05 Cr. in 11MFY2025. The operating profit margin stood in the range of 30.66 to 46.66 percent in the last two years ending FY 2024. The company enjoys a competitive advantage over other hotels due to its location on the outskirts of the city, making it an ideal destination for holidays, corporate meetings, and conferences. Spread over 8 acres of terrain in the Western Ghats, the resort is situated approximately 40 km from the airport and 28 km from the Coimbatore Railway Station. Acuité believes that going forward, the operating income and profitability of the company will improve in the near term due to healthy bookings with strategic location and other related activities.

• **Moderate financial risk profile**

The financial risk profile of the company is moderate, marked by moderate net worth, debt protection metrics, and low gearing. The net worth of the company stood at Rs.62.44 Cr. and Rs.45.96 Cr. as on March 31, 2024, and 2023 respectively. The improvement in the net worth is on account of accretion of reserves and equity infusion of Rs. 4.04 Cr. in FY2024. The gearing of the company improved and stood at 0.75 times as on March 31, 2024, against 1.21 times as on March 31, 2023. The improvement in the gearing is on account of the reduction in debt-levels. Debt protection metrics – Interest coverage ratio and debt service coverage ratio stood at 3.45 times and 4.10 times as on March 31, 2024, respectively as against 1.32 times and 1.40 times as on March 31, 2023, respectively. TOL/TNW (Total outside liabilities/Total net worth) stood at 0.77 times and 1.31 times as on March 31, 2024, and 2023 respectively. The debt to EBITDA of the company stood at 2.90 times as on March 31, 2024, as against 2.99 times as on March 31, 2023. Acuité believes that the financial risk position of SRJPL will improve over the medium term.

• **Moderate working capital management**

SRJRPL's working capital operations are moderately efficient, as reflected in its gross current assets (GCA) of 66 days in FY2024, compared to 40 days in FY2023. The deterioration in GCA days is due to an increase in debtor days in FY2024 which stood at 58 days in FY2024, compared to 4 days in FY2023. During February and March, there was a high volume of bookings from corporates, which translated to higher receivables towards the year end. Furthermore, the reliance on bank limit utilization stood at approximately 88 percent for the fund-based limits for the past ten months ending in February 2025. Acuité believes that the working capital operations of the company will remain at similar levels over the medium term due to the nature of the industry.

Weaknesses

• **Concentration risk associated with operating a single-location property**

The company's entire revenue stream is dependent on the performance and attractiveness of this one location and one property. This reliance is exposed to substantial financial risk due to various factors that could negatively impact the area. Additionally, increased competition or shifts in tourism trends could lead to a decline in customer visits. This concentration risk not only affects financial stability but also limits the ability to diversify income sources. To mitigate this risk, it is crucial to explore opportunities for geographic diversification, such as expanding to additional locations or developing partnerships with other properties in different regions.

• **Highly competitive industry**

The Indian subcontinent with vast opportunities and potential for high growth has become the focus area of major international chains. Several of these chains have been established and others have their plans to establish hotels to take advantage of these opportunities. These entrants are expected to intensify the competitive environment. Acuité believes the success of the company will be dependent upon its ability to compete in areas such as room rates, quality of accommodation, service level and convenience of location and also the quality and scope of other amenities, including food and beverage facilities.

Rating Sensitivities

- Improvement in scale of operations while maintaining its profitability.
- Any deterioration in working capital management leading to deterioration in financial risk profile and liquidity.
- Significant reduction in occupancy levels leading to deterioration in operating and financial performance.

Liquidity Position: Adequate

SRJRPL's liquidity is adequate, marked by adequate net cash accruals to meet its maturing debt obligations. The company generated cash accruals of Rs. 11.53 Cr. in FY2024, while its maturing debt obligations were Rs. 7.56 Cr. during the same period. Going forward, the company is expected to generate sufficient net cash accruals to cover its maturing debt obligations. The current ratio stood at 0.79 times as on March 31, 2024. Furthermore, the reliance on bank limit utilization stood at 88 percent for the fund-based limits for the past ten months ending in February 2025. The company maintained unencumbered cash and bank balances of Rs. 0.05 Cr. as on March 31, 2024. Acuité believes that the liquidity of the company is likely to improve over the medium term on account of steady net cash accruals generation.

Outlook: Stable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	52.96	40.22
PAT	Rs. Cr.	6.63	2.93
PAT Margin	(%)	12.51	7.29
Total Debt/Tangible Net Worth	Times	0.75	1.21
PBDIT/Interest	Times	3.45	4.10

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

Infomercials, vide its press release dated October 23rd, 2024 had denoted the rating of SR Jungle Resortes Private Limited as IVR BB+/ Negative/A4+ 'Downgraded and Issuer not co-operating'

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

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>

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 :

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	23.31	Simple	ACUITE BBB- Stable Assigned
Axis Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE BBB- Stable Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Jul 2030	18.40	Simple	ACUITE BBB- Stable Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2026	1.89	Simple	ACUITE BBB- Stable Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2027	4.46	Simple	ACUITE BBB- Stable Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2027	2.95	Simple	ACUITE BBB- Stable Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Jul 2027	1.52	Simple	ACUITE BBB- Stable Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Jul 2027	0.87	Simple	ACUITE BBB- Stable Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 May 2027	3.60	Simple	ACUITE BBB- Stable 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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