

February 26, 2024

Bestech Hotels Private Limited: Continues to remain under issuer Non-Cooperating category.

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Term Loan	46.00	46.00	[ICRA]BB+(CE)(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Long Term-Fund Based-Term Loan	14.97	14.97	[ICRA]BB(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Long Term-Non-Fund Based	5.00	5.00	[ICRA]BB(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Total	65.97	65.97	

Rating Without Explicit Credit Enhancement	[ICRA]BB
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*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement.

Rationale

ICRA has kept the long-term rating of Bestech Hotels Private Limited in the 'Issuer Not Cooperating' category. The rating is denoted as [ICRA]BB+(CE)(Stable)/[ICRA]BB(Stable); ISSUER NOT COOPERATING"

As part of its process and in accordance with its rating agreement with Bestech Hotels Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Rating Methodology -Hotels

Parent/Group Support	Parent/Group company: Bestech Hospitalities Private Limited (BHPL) ICRA expects that BHPL to be willing to extend financial support to BHOPL. There also exists a consistent track record of the Group having extended timely financial support to BHOPL in the past, whenever a need has arisen.
Consolidation/Standalone	Standalone

About the company

Bestech Hotels Pvt Limited (BHOPL) is a part of the Bestech Group, which has interests in real estate, construction, hospitality and facilities management. The company was incorporated as a joint venture (JV) with the Radisson Hotel Group in May 2011 and is currently operating the first Radisson Red (Mohali) hotel in the country. The 154-room hotel has been branded as Radisson Red and is located in Mohali, Punjab. The hotel started operations in December 2021.

Key Financial Indicator

	FY2022 (in crore)	FY2023 (in crore)
Operating income	7.08	34.09
PAT	- 6.85	-17.22
OPBDIT/OI	-14.80%	-0.82%
PAT/OI	-96.71%	-50.53%
RoCE (%)	-8.31%	-16.38%
Total outside liabilities/Tangible net worth (times)	18.88	- 14.65
Total debt/OPBDIT (times)	-102.87	-399.68
Interest coverage (times)	-	-

Source: MCA

Status of non-cooperation with previous CRA:NA

Any other information: None

Rating history for past three years

	Instrum ent	Type	Current Rating (FY2024)				Chronology of Rating History for the past 3 years				
			Amount Rated (Rs. Crore)	Amount Outstand ing (Rs. Crore)	Date & Rating in		Date & Rating in FY2023		Date & Rating in FY2021		Date & Rating in FY2020
					Feb 26, 2024	Sep 12,2023	Jan 06, 2023	Jun 30 2022	Mar 19, 2021	Apr 17, 2020	24 Mar,2020
1	Term Loan	Long Term	46.00	42.9	[ICRA]BB+ (CE)(Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (CE)(Stable); ISSUER NOT COOPERATING	[ICRA]BBB (CE)(Stable)	[ICRA]BBB (CE)(Stable)	[ICRA]BBB (CE) (Negative)	[ICRA]BBB (CE) (Negative)	[ICRA]BBB (CE)(Stable)
2	Term Loan	Long Term	14.97	14.97	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BBB- (Stable)	[ICRA]BB+ (Stable)	-	-	-
3	Non- Fund Based	Long Term	5.00	-	[ICRA]BB (Stable); ISSUER	[ICRA]BB (Stable); ISSUER	[ICRA]BBB- (Stable)	[ICRA]BBB (CE)(Stable)			[ICRA]BBB (CE)(Stable)

					NOT COOPERATING	NOT COOPERATING			[ICRA]BBB (CE) (Negative)	[ICRA]BBB (CE) (Negative)	
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Complexity level of the rated instrument

Instrument	Complexity Indicator
Term Loan	Simple
Term Loan	Simple
Non-Fund Based	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Term loan	November 2019	-	July 2026	46.00	[ICRA]BB+ (CE)(Stable); ISSUER NOT COOPERATING
NA	Term loan 1	FY2022	-	FY2028	10.97	[ICRA]BB (Stable); ISSUER NOT COOPERATING
NA	Term loan 2	FY2022	-	FY2027	4.00	[ICRA]BB (Stable); ISSUER NOT COOPERATING
NA	Non-Fund Based	-	-	-	5.00	[ICRA]BB (Stable); ISSUER NOT COOPERATING

Source: Bestech Hotels Private Limited

[Please Click Here to view details of lender-Wise facilities rated by ICRA](#)

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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Branches



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