

August 16, 2024

DHS 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	18.12	18.12	[ICRA]B+(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Long-term – Fund Based – Cash Credit	2.30	2.30	[ICRA]B+(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Long Term-Non-Fund Based-Others	0.26	0.26	[ICRA]B+(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Long Term- Unallocated-Unallocated	9.32	9.32	[ICRA]B+(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Total	30.00	30.00	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

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

As part of its process and in accordance with its rating agreement with DHS 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 Hotels
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Incorporated in 2010, DHS Hotels Private Limited (DHSPL) is promoted by Mr. Venkata Rao Vadlamudi & others. The company runs a 138-room five-star hotel (with restaurant, convention centre and banquet hall facility) in Tirupati (Andhra Pradesh), www.icra.in Page | 2 a city which draws millions of tourists and devotees annually from all over the world. The company has a brand and management collaboration with ITC Hotels Limited for its brand 'Fortune Select'. The hotel's commercial operations started in the January 2013

Key Financial Indicator

	FY2022 (in crore)	FY2023 (in crore)
Operating income	18.82	32.38
PAT	1.60	7.42
OPBDIT/OI	27.62%	37.88%
PAT/OI	8.51%	22.91%
Total outside liabilities/Tangible net worth (times)	0.60	0.61
Total debt/OPBDIT (times)	1.66	0.65
Interest coverage (times)	3.99	13.66

Source: MCA

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
CRISIL	[CRISIL]B(Stable)/[CRISIL]A4; ISSUER NOT COOPERATING	July 16, 2024.

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2025)			Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2021
				Aug 16, 2024	Jun 20, 2023	Apr 28, 2022	Mar 31, 2021
1	Term Loan	Long Term	18.12	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING
2	Cash Credit	Long Term	2.30	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING
3	Non Fund Based	Long Term	0.26	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING		
4	Unallocated	Long Term	9.32	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Term Loan	Simple
Cash Credit	Simple

Non Fund Based	Very Simple
Unallocated	Not Applicable

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	-	-	-	18.12	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Cash Credit	-	-	-	2.30	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Non-Fund Based	-	-	-	0.26	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	9.32	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: DHS Hotels Private Limited

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.

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