

RATING RATIONALE

09 Oct 2025

Arundwati Hotels and Resorts Pvt. Ltd.

Brickwork Ratings withdraws the previous bank loan ratings for Rs.15.41 Crs, and removes the rating from the Issuer Not Cooperating category, Upgrades and assigns the long-term ratings for the bank loan facilities of Rs. 28.79Crs of Arundwati Hotels and Resorts Pvt.Ltd.

Particulars

Facilities**	Amount (Rs.Crs)		Tenure	Rating#	
	Previous	Present		Previous (10-June-2025)	Present
Fund Based					
Term Loan - Sanctioned	5.03	1.43	Long Term	BWR D Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	BWR BB/Stable removed from Issuer Not Cooperating*category/ Upgrade
Term Loan - Sanctioned	1.42	0			Withdrawal
Term Loan - Sanctioned	11.99	0			
Cash Credit - Sanctioned	2	0			
Term Loan - Outstanding	0	0.78		-	BWR BB/Stable Assignment
Term Loan - Outstanding	0	0.97			
Term Loan - Outstanding	0	1.11			
Term Loan - Sanctioned	0	24.5			
Grand Total	20.44	28.79	(Rupees Twenty Eight crore Seventy Nine lakhs only)		

#Please refer to the BWR website www.brickworkratings.com for the definition of the ratings.

**Bank Loan facility details are furnished in Annexure - I

RATING ACTION / OUTLOOK

Brickwork Ratings (BWR) has withdrawn the bank loan rating of “BWR D” for facilities amounting to Rs. 15.41 crore, based on the No Due Certificate (NDC) issued by the lender, and has removed the rating from the “Issuer Not Cooperating” category. BWR has further upgraded the long-term rating to “BWR BB/Stable” for the existing facilities and assigned a “BWR BB/Stable” rating to the newly availed credit facilities from the lender. The rating upgrade and assignment reflect the promoters’ extensive experience, strategic location advantage, and established operational track record.

The outlook has been retained as Stable, as BWR believes that the business risk profile of the firm will be maintained over the medium term. The Stable outlook indicates a low likelihood of a rating change over the medium term.

For assigning the rating, BWR has relied upon the last 3 years of audited financials till FY24, provisional financials for FY25 & projection financials for FY26 & FY27, and publicly available information and clarification provided by management.

KEY RATING DRIVERS

Credit Strengths-:

●Promoter experience :

The company is promoted by Mr. Sarandeep Singh Saluja, Mr. Sunil Kumar Agrawal, and Mr. Satish Kumar Agrawal, all graduates with 15 to 20 years of entrepreneurial experience, collectively bringing over five decades of business expertise. Their extensive experience and active involvement provide operational stability and support the company's growth trajectory.

●Locational Advantage :

The company, located near Gajanand Puram Colony on Kotra Road, Raigarh, Chhattisgarh, benefits from excellent connectivity via the Kotra Road Bypass, providing easy access for business and leisure travelers, while its proximity to educational institutions, commercial hubs, and local tourist attractions ensures a diverse and steady customer base, including corporate guests, academic visitors, and tourists.

Credit Risk-:

●Vulnerability to cyclical in the hospitality industry and geographical concentration in revenue:

The hotel industry is highly sensitive to fluctuations in both the domestic and international economy and typically operates in a six-year cyclical pattern. Companies with high financial leverage are more exposed to such cyclical in due to their fixed financial commitments. Furthermore, the company's operations are localized and limited to its Hyderabad properties, unlike other corporates with a diversified presence across multiple locations and states. This concentration increases its vulnerability to the dynamics of a single market and intensifies competition from larger players operating in the same region.

●Leveraged capital structure :

The company has moderate leverage with manageable debt-servicing obligations. Improving profitability and retained earnings are expected to strengthen financial flexibility.

●Project Completion Risk:

The timely execution of the project within the estimated cost and schedule remains a key credit risk. Any significant delay or cost overrun could impact revenue visibility, increase dependence on additional funding, and weaken the debt repayment capacity.

ANALYTICAL APPROACH - Standalone

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided).

RATING SENSITIVITIES

The company's ability to increase its scale of operations, improve profitability, efficiently manage its working capital requirements, and strengthen its liquidity and overall credit profile would be the key rating sensitivities.

Positive:

- Significant growth in scale of operations with the revenue exceeding 20.00 Cr while maintaining profitability margins above 12%.
- Improvement in leverage and debt protection metrics, with Total Debt/TNW below 1.0x and DSCR above 1.2x.
- Timely completion of the project without significant cost overruns or delays, leading to revenue generation as projected.

Negative:

- Decline in revenues or operating margins below 25%, adversely impacting cash accruals.
- Weakening of liquidity profile, with current ratio remaining below 1.0x and DSCR below 1.0x.
- Delay in project completion, time overruns, or cost escalations adversely impact cash flows and debt servicing ability.

LIQUIDITY INDICATORS - Stretched

Tightly matched accruals to repayment obligations, with highly utilized bank limits and modest cash reserves.

The company’s liquidity position is stretched, supported by a current ratio of 1.48 times in FY2024. Coverage indicators remain moderate, with an ISCR of 2.50 times and a DSCR of 0.97 times in FY2023-24, indicating sufficient earnings to service debt. However, the CPLTD of Rs. 5.21 crore remains high relative to Net Cash Accruals of Rs. 2.22 crore, while the cash and bank balance stood at only Rs. 0.22 crore. The Tangible Net Worth was modest at Rs. 10.16 crore in FY 2024, providing limited financial flexibility.

ABOUT THE ENTITY

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Consumer Services	Leisure Services	Hotels & Resorts

Arundwati Hotels and Resorts Pvt. Ltd. operates the only 4-star hotel in Raigarh under the name Hotel Trinity Grand. The property offers 55 spacious and well-furnished rooms with modern décor, quality bedding, and work areas. Key amenities include two restaurants, a bar/lounge, swimming pool, room service, concierge facilities, and event spaces. The hotel is supported by professional staff, multilingual assistance, daily housekeeping, and 24/7 reception services.

KEY FINANCIAL INDICATORS (Standalone)

Key Parameters	Unit	FY 23	FY 24	FY 25
Result Type		Audited	Audited	Provisional
Operating Income	Rs. Crs	7.09	8.03	9.09
EBITDA	Rs. Crs	3.17	3.52	2.97
PAT	Rs. Crs	-0.87	0.31	0.39
Tangible Net Worth	Rs. Crs	9.84	10.16	10.55
Total Debt/Tangible Net Worth	Times	1.89	1.16	1.92
Current Ratio	Times	2.33	1.48	1.38

KEY COVENANTS OF THE FACILITY RATED

The terms of sanction of the rated facilities include standard covenants normally stipulated for such facilities.

STATUS OF NON-COOPERATION WITH PREVIOUS CRA

There are no outstanding ratings with other CRAs.

ANY OTHER INFORMATION
NIL

RATING HISTORY FOR THE LAST THREE YEARS (including withdrawal & suspension)

Instrument/ Facilities		Current Rating (2025)		2024		2023		2022	
Type	Tenure	Amount Rs. Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	Long Term	0	Withdrawal	10Jun 2025	BWR D Continues to be in ISSUER NOT COOPERATING * category/Reaffir med	15May 2024	BWR D Continues to be in ISSUER NOT COOPERATI NG* category/Reaf firmed	23Mar 2023	BWR D Continues to be in ISSUER NOT COOPERATING* category/Reaffirme d
		1.43	BWR BB/Stable removed from Issuer Not Cooperating*categ ory/Upgrade						
		27.36	BWR BB/ Stable Assignment	-	-	-			
Grand Total		28.79	(Rupees Twenty Eight crore Seventy Nine lakhs only)						

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [BWR Withdrawal Policy](#)
- [Service Sector](#)

Analytical Contacts

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Arundwati Hotels and Resorts Pvt. Ltd.

ANNEXURE-I

Details of Bank Facilities rated by BWR

Type of Facilities(Rs.Crs.)		Tenure	Union Bank of India	Complexity Level
Fund Based	Term Loan - Outstanding	Long Term	1.43	Simple##
	Term Loan - Outstanding		0.78	Simple##
	Term Loan - Outstanding		0.97	Simple##
	Term Loan - Outstanding		1.11	Simple##
	Term Loan - Sanctioned		24.5	Simple##
Total (Rupees Twenty Eight crore Seventy Nine lakhs only)			28.79	

##BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf. Investors' queries can be sent to info@brickworkratings.com.

ANNEXURE-II

INSTRUMENT DETAILS

Instrument	Date	Amount (Rs.Crs)	Rate (%)	Maturity Date	Particulars	Complexity of the Instrument
Nil	Nil	Nil	Nil	Nil	Nil	Nil

ANNEXURE-III

List of entities consolidated

Name of Entity	Ownership	Reason for consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil

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