



Rating Rationale

Pelican Grand Motels Pvt Ltd

9 Aug 2018

Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹. 26.99 Crores of Pelican Grand Motels Pvt. Ltd.

Particulars

Facility Rated	Previous Amount (Rs. Crs)	Current Amount (Rs. Crs)	Tenure	Previous Rating ^	Rating ^
CC	1.30	1.30	Long Term	BWR BB (Outlook : Stable) (Pronounced BWR Double B)	BWR BB+ (Outlook : Stable) (Pronounced BWR Double B Plus)
Term Loan 1	18.93	17.68			
Term Loan 2	8.61	8.01			
Total	28.84	26.99	INR Twenty Six Crores and Ninety Nine Lakhs Only		

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

Ratings: Upgraded

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results up to FY18, Projections for FY19, FY20 and the publicly available information and information/clarifications provided by the company's management.

The rating, factors in the experience of the promoters, increased revenues, satisfactory interest coverage indicator, increased profit margins and liquidity. The rating is however, constrained by small scale of operation, high gearing, moderate net worth, negative debt service coverage ratio low occupancy rate

Key Rating Drivers

Credit Strengths :

Two of the promoters have an experience of more than decade in various kinds of business activities. Total operating income of the company has increased from Rs 19.44 Crs in FY17 to Rs24.60 Crs in FY18, interest coverage indicator is 1.79X in FY18. Operating profit margin is increased from 26.3% in FY17 to 32.22% in FY18, liquidity as at 31.3.2018 is 1.76X



Credit risks :

Scale of operations leading to average revenue in last 3 years is Rs 19Cr, Gearing is at 2.18 times in FY18, net worth as at FY18 is Rs 18Cr and debt coverage is at negative 0.85 X in FY 18 and occupancy rate in FY18 is abt 55% .

Rating Outlook: Stable

BWR believes the **Pelican Grand Motels Pvt Ltd** business risk profile will be maintained over the medium term. The ‘Stable’ outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

The company "Pelican Grand Motels Pvt Ltd" was established as a partnership concern in 2005 with Mr. Yogesh Gupta and Ms. Vijay Laxmi as its partners. The firm was reconstituted in to a private limited in 2010 as "Pelican Grand Motels Pvt Ltd".

In the year 2010 the construction of the hotel “ Vivaan “ started in Jhanjhari district, Karnal, near national highway Haryana within the land area of 3.45 acres owned by Mr. Yogesh Gupta and Ms. Vijay Laxmi. The hotel is operating with a brand name "Vivaan Resorts".

Company is managed by two Directors namely Shri Yogesh Kumar , the managing director and Shri Jitender Kumar. the director . Smt Vijayalakshmi has ceased to be director w.e.f 06.07.2016 in view of her old age.

The project cost of hotel “ Vivaan “ was Rs 48.74 crores which is funded by way of Term loan of Rs 28.60 Crs by the bank and promoter’s contribution was Rs 20.14 crores The project is complete and fully operational with occupancy rate expected to be 70% in FY18-19

Financial Performance

The Company has achieved a total operating income of Rs. 24.60 Crores in FY18 as against Rs 19.44 Crores in FY17. The PAT achieved by the company stands at Rs. 0.85 Crores in FY18 as against a profit of Rs 0.07 Crores in FY17.

Key Financial Indicators

Parameters		FY 2017 (A) (Rs. In Crs)	FY 2018 (A) (Rs. In Crs)
Total operating income	Rs Crs	19.44	24.60
OPBDIT	Rs Crs	5.12	7.93
Profit after tax (PAT)	Rs Crs	0.07	0.85
Tangible Net worth	Rs Crs	17.15	18.00
Total Debt/ TNW	Times	2.15	2.21
Current Ratio	Times	3.32	1.72

Rating History for the last three years

Sl. No.	Facility	Current Rating (Year 2018)			Rating History		
		Type	Amount (Rs in Crs)	Rating	27.9.2017	7.3.2017	2016
1	Fund Based	Long Term	26.99	BWR BB+ (pronounced as BWR Double B Plus) (Outlook: stable)	BWR BB (pronounced as BWR Double B) (Outlook: stable)	Rating Not Reviewed	Not Rated
Total			26.99	INR Twenty Six Crores and Ninety Nine Lakhs Only			

on 19.8.2015 initial rating was done by BWR and assigned rating of BWR BB

Status of non-cooperation with previous CRA - Nil

Any other information : Nil

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

Analytical Contacts	Media
<u><i>Venkatesh</i></u> <u><i>CGM-Ratings</i></u>	media@brickworkratings.com
analyst@brickworkratings.com	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

Note on complexity levels of the rated instrument:

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.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI



and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 11,99,663 Cr. In addition, BWR has rated over 6819 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹48,803 Cr have been rated.

BWR has rated over 30 PSUs/Public Sector banks, as well as many major private players. BWR has a major presence in ULB rating of nearly 102 cities

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.