

Rating Update
January 13, 2025 | Mumbai**H S India Limited**

Update as on January 13, 2025

This update is provided in continuation of the rating rational below.

The key rating sensitivity factors for the rating include:

Upward factors:

- Net cash accrual above Rs 4 crore, comfortably cushioning debt obligation
- Sustained improvement in the working capital cycle and financial risk profile

Downward factors:

- Delay in recovery in revenue and net cash accrual below Rs 2 crore
- Large, debt-funded capex or stretched working cycle weakening the financial risk profile and liquidity

Crisil Ratings has a policy of keeping its accepted ratings under constant and ongoing monitoring and review. Accordingly, Crisil Ratings seeks regular updates from companies on the business and financial performance. Crisil Ratings is, however, awaiting adequate information from H S India Limited (HSIL) which will enable us to carry out the rating review. Crisil Ratings will continue provide updates on relevant developments from time to time on this credit.

Crisil Ratings also identifies information availability risk as a key credit factor in the rating assessment as outlined in its criteria 'Information Availability Risk in Credit Ratings'.

About the Company

Incorporated in 1989 as Hotel Silver Plaza Pvt Ltd, HSIL operates a 134-room 3-star hotel in Surat, Gujarat. The company was reconstituted as a public limited company in 1993 and changed its name to HSIL. Mr Pushpendra Bansal is the promoter. HSIL operates the hotel under franchise agreement with LIHDPL. It has a multicuisine restaurant, Blue Coriander; a sky grill restaurant, Lime tree; six banquet halls.

Note for Media:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to Crisil Ratings. However, Crisil Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About Crisil Ratings Limited (A subsidiary of Crisil Limited, an S&P Global Company)

Crisil Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

Crisil Ratings Limited ('Crisil Ratings') is a wholly-owned subsidiary of Crisil Limited ('Crisil'). Crisil Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.Crisilratings.com

About Crisil Limited

Crisil is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.Crisil.com

Connect with us: [TWITTER](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#)

Crisil PRIVACY NOTICE

Crisil respects your privacy. We may use your contact information, such as your name, address and email id to fulfil your request and service your account and to provide you with additional information from Crisil. For further information on Crisil's privacy policy please visit www.Crisil.com.

DISCLAIMER

Please note: This advisory should not be construed as a rating reaffirmation.

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') that is provided by Crisil Ratings Limited ('Crisil Ratings'). To avoid doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as Crisil Ratings providing or intending to provide any services in jurisdictions where Crisil Ratings does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this report does not create a client relationship between Crisil Ratings and the user.

We are not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing our report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from Crisil Ratings are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. Crisil Ratings assumes no obligation to update its opinions following publication in any form or format although Crisil Ratings may disseminate its opinions and analysis. The rating contained in the report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way. Crisil Ratings or its associates may have other commercial transactions with the entity to which the report pertains.

Neither Crisil Ratings nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively, 'Crisil Ratings Parties') guarantee the accuracy, completeness or adequacy of the report, and no Crisil Ratings Party shall have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. EACH CRISIL RATINGS PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any Crisil Ratings Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

Crisil Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. Public ratings and analysis by Crisil Ratings, as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any), are made available on its website, www.Crisilratings.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee - more details about ratings by Crisil Ratings are available here: www.Crisilratings.com.

Crisil Ratings and its affiliates do not act as a fiduciary. While Crisil Ratings has obtained information from sources it believes to be reliable, Crisil Ratings does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and/or relies on in its reports. Crisil Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. Crisil Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For details please refer to: <https://www.Crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html>.

Rating criteria by Crisil Ratings are generally available without charge to the public on the Crisil Ratings public website, www.Crisilratings.com. For latest rating information on any instrument of any company rated by Crisil Ratings, you may contact the Crisil Ratings desk at Crisilratingdesk@Crisil.com, or at (0091) 1800 267 1301.

Please note: This advisory should not be construed as a rating reaffirmation.

This report should not be reproduced or redistributed to any other person or in any form without prior written consent from Crisil Ratings.

All rights reserved @ Crisil Ratings Limited. Crisil Ratings is a wholly owned subsidiary of Crisil Limited.

Crisil Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on Crisil Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: <https://www.Crisil.com/en/home/our-businesses/ratings/credit-ratings-scale.html>

Rating Rationale

November 21, 2023 | Mumbai

H S India Limited

Rating reaffirmed at 'CRISIL BB-/Stable'

Rating Action

Total Bank Loan Facilities Rated	Rs.23.07 Crore
Long Term Rating	CRISIL BB-/Stable (Reaffirmed)

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has reaffirmed its 'CRISIL BB-/Stable' rating on the bank loan facilities of H S India Ltd (HSIL).

The rating continues to reflect the established market position of the company, aided by a franchise agreement with Lords Inn Hotels and Developers Pvt Ltd (LIHDPL), the favourable location of the hotel and a moderate capital structure. These strengths are partially offset by vulnerability to cyclicity in the hospitality industry and geographic concentration in revenue

Key Rating Drivers & Detailed Description

Strengths:

- Strong market position:** HSIL operates a hotel under the Lords Plaza brand under franchise agreement with LIHDPL. Synergies derived from this agreement result in easy procurement of consumables, recruitment, training of employees and established corporate tie-ups. The hotel is near Surat (a major industrial hub, and diamond and textile hub) railway station. The company has focused on the business traveller segment and has received repeat business from some of its key clients. It will continue to benefit from its franchise agreement and favourable location of the property over the medium term.
- Moderate capital structure:** Gearing and networth were adequate at 0.71 time and Rs 29.31 crore, respectively, as on March 31, 2023. The company does not have working capital debt and no term debt is expected over the medium term, which will result in sustenance of comfortable capital structure.

Weaknesses:

- Vulnerability to cyclicity in the hospitality industry:** The hotel industry is cyclical as it is vulnerable to changes in the domestic and international economy and travel patterns.
- Geographic concentration in revenue:** Revenue is concentrated in a single region, Surat. Therefore, any region-specific disruptions can significantly impact the business

Liquidity: Adequate

Expected cash accrual over Rs 2.70 crore per annum will be insufficient to cover yearly debt obligation of over Rs 2.85 crore over the medium term. Unencumbered cash and equivalent stood at Rs 9.7 crore as on March 31, 2023, on account of Covid emergency loan of Rs 3.25 crore. The company has no major capital expenditure (capex) plans. Current ratio was 3.05 times as on March 31, 2023. Any deficit in repayment will be met by unencumbered cash with the company.

Company has also given the capital advances of 4.6 crore to builders for purchase of commercial property at Delhi and Mumbai pre covid. However, building construction is in process and as per management money is safe with builder and will get the possession in couple of years. Company has 17.15 crore security deposits with there group company.

Outlook: Stable

CRISIL Ratings believes HSIL will continue to benefit from the extensive experience of its promoter and established relationships with clients.

Rating Sensitivity factors

Upward factors:

- Net cash accrual above Rs 4 crore, comfortably cushioning debt obligation
- Sustained improvement in the working capital cycle and financial risk profile

Downward factors:

- Delay in recovery in revenue and net cash accrual below Rs 2 crore
- Large, debt-funded capex or stretched working cycle weakening the financial risk profile and liquidity

About the Company

Incorporated in 1989 as Hotel Silver Plaza Pvt Ltd, HSIL operates a 134-room 3-star hotel in Surat, Gujarat. The company was reconstituted as a public limited company in 1993 and changed its name to HSIL. Mr Pushpendra Bansal is the promoter. HSIL operates the hotel under franchise agreement with LIHDPL. It has a multicuisine restaurant, Blue Coriander; a sky grill restaurant, Lime tree; six banquet halls.

Key Financial Indicators

As on/for the period ended March 31	Unit	2023	2022
Operating income	Rs.Crore	23.95	18.01
Reported profit after tax (PAT)	Rs.Crore	1.04	1.08
PAT margin	%	4.33	6.01
Adjusted debt/adjusted network	Times	0.71	0.84
Interest coverage	Times	1.89	1.98

Status of non cooperation with previous CRA

HSIL has not cooperated with Acuite Ratings and Research which has classified it as issuer not cooperative vide release dated May 22, 2020. The reason provided by Acuite Ratings and Research is non-furnishing of information for monitoring of rating.

HSIL has not cooperated with India Ratings and Research which has classified it as issuer not cooperative vide release dated April 08, 2020. The reason provided by India Ratings and Research is non-furnishing of information for monitoring of rating.

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings' complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of the instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue size (Rs.Crore)	Complexity Level	Rating assigned with outlook
NA	Term Loan	NA	NA	Mar-31	16.53	NA	CRISIL BB-/Stable
NA	Working Capital Term Loan	NA	NA	Mar-31	6.54	NA	CRISIL BB-/Stable

Annexure - Rating History for last 3 Years

		Current		2023 (History)		2022		2021		2020		Start of 2020
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	23.07	CRISIL BB-/Stable		--	31-10-22	CRISIL BB-/Stable	05-08-21	CRISIL BB-/Stable	19-11-20	CRISIL BB-/Watch Negative	Suspended
					--		--	15-02-21	CRISIL	18-06-20	CRISIL	--

									BB-/Stable		BB/Stable	
Non-Fund Based Facilities	ST		--		--		--		--		--	Suspended

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Term Loan	16.53	HDFC Bank Limited	CRISIL BB-/Stable
Working Capital Term Loan	3.25	HDFC Bank Limited	CRISIL BB-/Stable
Working Capital Term Loan	3.29	HDFC Bank Limited	CRISIL BB-/Stable

Criteria Details

Links to related criteria
CRISILs Approach to Financial Ratios
Rating criteria for manufacturing and service sector companies
CRISILs Bank Loan Ratings - process, scale and default recognition
CRISIL's approach to Covid-19-related restructuring
Understanding CRISILs Ratings and Rating Scales

Media Relations	Analytical Contacts	Customer Service Helpdesk
Aveek Datta Media Relations CRISIL Limited M: +91 99204 93912 B: +91 22 3342 3000 AVEEK.DATTA@crisil.com	Nitin Kansal Director CRISIL Ratings Limited D: +91 124 672 2154 nitin.kansal@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com
Prakruti Jani Media Relations CRISIL Limited M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com	Nilesh Agarwal Associate Director CRISIL Ratings Limited D: +91 79 4024 4531 nilesh.agarwal1@crisil.com	For Analytical queries: ratingsinvestordesk@crisil.com
Rutuja Gaikwad Media Relations CRISIL Limited B: +91 22 3342 3000 Rutuja.Gaikwad@ext-crisil.com	Utkarsh Sogani Management Trainee CRISIL Ratings Limited B: +91 79 4024 4500 Utkarsh.Sogani@crisil.com	

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL Ratings. However, CRISIL Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About CRISIL Ratings Limited (A subsidiary of CRISIL Limited, an S&P Global Company)

CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

CRISIL Ratings Limited ('CRISIL Ratings') is a wholly-owned subsidiary of CRISIL Limited ('CRISIL'). CRISIL Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: [TWITTER](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#)

CRISIL PRIVACY NOTICE

CRISIL respects your privacy. We may use your contact information, such as your name, address and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com.

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') that is provided by CRISIL Ratings Limited ('CRISIL Ratings'). To avoid doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this report does not create a client relationship between CRISIL Ratings and the user.

We are not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing our report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to

sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Ratings are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL Ratings assumes no obligation to update its opinions following publication in any form or format although CRISIL Ratings may disseminate its opinions and analysis. The rating contained in the report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way. CRISIL Ratings or its associates may have other commercial transactions with the entity to which the report pertains.

Neither CRISIL Ratings nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively, 'CRISIL Ratings Parties') guarantee the accuracy, completeness or adequacy of the report, and no CRISIL Ratings Party shall have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. EACH CRISIL RATINGS PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Ratings Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. Public ratings and analysis by CRISIL Ratings, as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any), are made available on its website, www.crisilratings.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee - more details about ratings by CRISIL Ratings are available here: www.crisilratings.com.

CRISIL Ratings and its affiliates do not act as a fiduciary. While CRISIL Ratings has obtained information from sources it believes to be reliable, CRISIL Ratings does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and/or relies on in its reports. CRISIL Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CRISIL Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For details please refer to: <https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html>.

Rating criteria by CRISIL Ratings are generally available without charge to the public on the CRISIL Ratings public website, www.crisilratings.com. For latest rating information on any instrument of any company rated by CRISIL Ratings, you may contact the CRISIL Ratings desk at crisilratingdesk@crisil.com, or at (0091) 1800 267 1301.

This report should not be reproduced or redistributed to any other person or in any form without prior written consent from CRISIL Ratings.

All rights reserved @ CRISIL Ratings Limited. CRISIL Ratings is a wholly owned subsidiary of CRISIL Limited.

CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: <https://www.crisil.com/en/home/our-businesses/ratings/credit-ratings-scale.html>