



Press Release

WWH Solutions Private Limited

January 31, 2025

Ratings

| Instrument Facility / | Amount (Rs. crore) | Current Ratings | Previous Ratings | Rating Action | Complexity Indicator |
|---------------------------|--------------------|---|------------------|---------------|------------------------|
| Long Term bank Facilities | 45.00 | IVR BB+/Stable (IVR Double B Plus with Stable Outlook) | - | Assigned | Simple |
| Total | 45.00 | Rupees Forty-Five Crore Only | | | |

Details of Facilities/Instruments are in Annexure 1.

Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has assigned its rating for long term facilities as IVR BB+ with stable outlook for the bank facilities of WWH Solutions Private Limited (WSPL).

The rating assigned to the bank facilities of WWH Solutions Private Limited (WSPL) draws comfort from experienced and resourceful promoters, favourable location of the property and tie-up arrangement with Hyatt group. However, these strengths are partially offset by project execution risks, significant dependence on debt in capital structure resulting in moderate financial risk profile and competitive Industry.

The 'Stable' outlook indicates a low likelihood of rating change over the medium term. IVR believes that the company will benefit from its experienced promoter and tie-up arrangement with Hyatt group.

Key Rating Sensitivities:

Upward Factors

- Project to be completed without cost and time overrun
- Accomplishing projected operating parameters

Downward Factors



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- Any delay in completion of project with cost overrun

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced and resourceful promoters

The company is promoted by Mr. Simerdeep Singh and Mrs. Sukhwinder Kaur. They have prior experience in running successful hotel business. Currently, the promoters are running Mariton Hoteliers Pvt Ltd., a 69-key deluxe hotel in Jalandhar, Punjab, featuring a wide range of food and beverage options as well as numerous other amenities. They are also in process of establishing two under-construction projects. M/s P2P Business Private Limited (The chain of Lemon Tree), comprising of 48 rooms of different categories and M/s GGR Clubs Private Limited, luxurious project comprising of 80 premium rooms, 3 high class banquet halls with other facilities.

Favourable location of the property

The project 'Hyatt Palace' is situated on GT Road, Opp. DPS School, near Modi Resorts in the Jalandhar, Punjab. The property is surrounded by number of big organizations, villages with NRI population and other big residential area immediately at the entry to Jalandhar city. Jalandhar is the third most-populous city in Punjab and the largest city in Doaba region. It lies alongside the Grand Trunk Road and is well-connected with road and rail.

Tie-up arrangement with Hyatt Group

The company has entered into Hotel Strategic service agreement with Hyatt India Consultancy Private Limited for the international hotel brand of Hyatt. As per the agreement, Hyatt will provide the project with convention, business and sales promotion, chain-based marketing, advertising, public relation and general hotel operations in compliance with Hyatt standards. These services are likely to provide the company with added benefits of established service, large customer base, marketing assistance and already widespread brand name recognition.

Key Rating Weaknesses

Project execution risks



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The estimated cost for the project is Rs.76.10 crore, which will be funded through equity of Rs. 31.10 crore and term loan of Rs. 45.00 crore. The expected date of commencement of commercial operations is April 2026. The company remains exposed to the execution risks associated with this project pertaining to timely approvals and execution without any major cost overrun, given that the project is in initial stage of execution. Any delay, in terms of cost or time overruns, will remain a key rating sensitivity factor.

Significant dependence on debt in capital structure resulting in moderate financial risk profile

Of the total estimated cost of the project of Rs. 76.10 crore, 60% of the cost is financed by long term borrowings. This results in significant dependence of the company on external borrowings. The timely service of debt will depend on the company's ability to generate healthy cash accruals and achievement of optimum occupancy rate. However, a moratorium period of 35 months (including implementation period) and the long repayment tenure of twelve years provide adequate cushion for stabilisation of cash flows.

Highly Competitive Industry

The hotel industry is very competitive with a large number of established organized and unorganised players and the growing network of hotels catering to middle/high income group. This will affect the pricing flexibility of the company, in addition to restricting occupancies to a certain extent. Further, improvement of the occupancy levels is highly dependent on the hotel's ability to retain and add reputed customers which will be a challenge considering heightened competition in the hotel sector.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Service Sector Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)



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Liquidity – Adequate

As the project is under construction, the company does not maintain any significant liquidity in its books. There are no scheduled term debt repayments until October 2026. The projected cash flow seems adequate to repay the debt obligation in the projected period. However, liquidity is largely depending on timely commencement of the commercial operation.

About the Company

WWH Solutions Private Limited, incorporated on 30.08.2022, is based in Jalandhar, Punjab. The company is constructing a luxurious hotel of 110 keys under the brand name of “Hyatt Place” at G. T. Road, Opp DPS Public School, Near Modi Resort, Village Dakoha, Jalandhar. The said project facilities would comprise of 110 rooms comprising of different categories like deluxe, executives, suites etc. The food & beverage outlets would be facilitated with an all-day dining restaurant having a capacity of approx. 150 pax, a bar with a capacity of approx. 100 pax, and 1 banquet hall with open lawn having approximate capacity of 400 and 3 banquet halls having approximate capacity of 100 pax each. The hotel would also comprise of a health club, spa and swimming pool on the terrace.

Financials (Standalone): The company is in project stage and standalone projections being considered.

Status of non-cooperation with previous CRA: NIL

Any other information: NIL

Rating History for last three years:

| Sr. No. | Name of Security/Facilities | Current Ratings (Year 2024-2025) | | | Rating History for the past 3 years | | |
|---------|-----------------------------|----------------------------------|--------------------------------|----------------|---|---|---|
| | | Type (Long Term/Short Term) | Amount outstanding (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2023-2024 | Date(s) & Rating(s) assigned in 2022-2023 | Date(s) & Rating(s) assigned in 2021-2022 |
| 1. | Fund Based | Long Term | 45.00 | IVR BB+/Stable | - | - | - |



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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

| Name of Facility/ Security | ISIN | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook |
|-------------------------------|------|---------------------|---------------------|-------------------|------------------------------------|--------------------------------|
| Term Loan | - | - | - | September 2038 | 45.00 | IVR BB+/Stable |

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-wwh-jan25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.