

Press Release

Kadodara Hotels

March 02, 2022



Rating Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---------------------------------------|---------------------|---|----------------------|
| Bank Loan Ratings | 10.00 | ACUITE B Reaffirmed Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 10.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE B**' (read as **ACUITE B**) on the Rs. 10.00 crore bank facilities of Kadodara Hotels (KH). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

About the Company

Surat-based, KH was established in 2016 and it has set up a two-star hotel consisting of 27 rooms, 12 service apartments, a restaurant, banquet and other facilities at Surat (Gujarat). The hotel premises is given on rent to '1589 Hotels Private Limited'. The partners of the firm are Mr. Shaileshbhai Dahyabhai Patel (Key Promoter) and Mr. Atulbhai Mangubhai Patel. The commercial operations of the entity commenced from October, 2018.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

No information provided by the issuer / available for Acuité to comment upon.

Material Covenants

Not Applicable.

Liquidity Position

No information provided by the issuer / available for Acuité to comment upon.

Outlook

Not Applicable.

Status of non-cooperation with previous CRA

None.

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|-----------|-----------------|--|
| 10 Dec 2020 | Proposed Bank Facility | Long Term | 3.24 | ACUITE B (Issuer not co-operating*) |
| | Term Loan | Long Term | 6.76 | ACUITE B (Issuer not co-operating*) |
| 01 Oct 2019 | Proposed Bank Facility | Long Term | 3.24 | ACUITE B Stable (Reaffirmed) |
| | Term Loan | Long Term | 6.76 | ACUITE B Stable (Reaffirmed) |
| 21 Feb 2019 | Proposed Bank Facility | Long Term | 3.24 | ACUITE B Stable (Downgraded from ACUITE B+ Stable) |
| | Term Loan | Long Term | 6.76 | ACUITE B Stable (Downgraded from ACUITE B+ Stable) |
| 18 Dec 2017 | Cash Credit | Long Term | 3.24 | ACUITE B+ Stable (Assigned) |
| | Term Loan | Long Term | 6.76 | ACUITE B+ Stable (Assigned) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Rating |
|----------------|----------------|----------------------------------|------------------|----------------|----------------|-------------------|--|
| Not Applicable | Not Applicable | Proposed Long Term Bank Facility | Not Applicable | Not Applicable | Not Applicable | 3.24 | ACUITE B Reaffirmed Issuer not co- operating* |
| Bank of Baroda | Not Applicable | Term Loan | Not available | Not available | Not available | 6.76 | ACUITE B Reaffirmed Issuer not co- operating* |

Contacts

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About Acuité Ratings & Research

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 8,850 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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