

Press Release

INA ELITE HOSPITALITY PRIVATE LIMITED

May 24, 2019



Rating Withdrawn

Total Instruments Rated*	Rs. 50.00 Cr.
Long Term Rating	ACUITE D (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuité has withdrawn the long term rating of '**ACUITE D**' (**read as ACUITE D**) to the Rs. 50.00 crore bank facilities of Ina Elite Hospitality Private Limited (IEHPL). The rating withdrawal is in accordance with the Acuité's 'policy on withdrawal of rating'.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

Ina Elite Hospitality Private Limited is a closely held private limited company, promoted by Mr. Neeraj Chhabra and family. It is into operation of hotels, operating camping sites and other provision of shortstay accommodation. IEHPL has one operating hotel under the name "Be Elite", now named as 'Sasya Homes' and an under-construction hotel under the name "Best Western". The construction of Best-Western is completed to an extent of 90 per cent and is expecting to commence operations from September 2019. It is developing 30 suite rooms, and 75 standard rooms of 4-star category at a project cost of about Rs.60.11 crores, funded out of term loan of Rs.40.75 crores and rest from promoters.

Analytical Approach

Acuité has considered the standalone financial and business risk profiles of IEHPL.

About the Rated Entity Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	2.79	4.62	6.35
EBITDA	Rs. Cr.	(0.69)	(0.11)	0.84
PAT	Rs. Cr.	0.77	0.50	0.73
EBITDA Margin	(%)	(24.64)	(2.45)	13.23
PAT Margin	(%)	27.75	10.74	11.49
ROCE	(%)	2.67	4.22	15.80
Total Debt/Tangible Net Worth	Times	2.16	1.32	1.18
PBDIT/Interest	Times	36.56	2.99	2.79
Total Debt/PBDIT	Times	25.13	12.52	5.87
Gross Current Assets (Days)	Days	331	57	37

Status of non-cooperation with previous CRA (if applicable):

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 entities: <https://www.acuite.in/view-rating-criteria-8.htm>
- Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-17.htm>

Note on complexity levels of the rated instrument
<https://www.acuite.in/criteria-complexity-levels.htm>
Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
03-May-2019	Term Loan	Long Term	23.75	ACUITE D (Downgraded from ACUITE B+/Stable)
	Term Loan	Long Term	10.00	ACUITE D (Downgraded from ACUITE B+/Stable)
	Term Loan	Long Term	6.00	ACUITE D (Downgraded from ACUITE B+/Stable)
	Term Loan	Long Term	8.15	ACUITE D (Downgraded from ACUITE B+/Stable)
	Proposed Bank Facility	Long Term	2.10	ACUITE D (Downgraded from ACUITE B+/Stable)
25-May-2018	Term Loan	Long Term	23.75	ACUITE B+ / Stable (Assigned)
	Term Loan	Long Term	10.00	ACUITE B+ / Stable (Assigned)
	Term Loan	Long Term	6.00	ACUITE B+ / Stable (Assigned)
	Proposed Bank Facility	Long Term	10.25	ACUITE B+ / Stable (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term loan	Not Applicable	Not Applicable	Not Applicable	23.75	ACUITE D (Withdrawn)
Term loan	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE D (Withdrawn)
Term loan	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE D (Withdrawn)
Term Loan	Not Applicable	Not Applicable	Not Applicable	8.15	ACUITE D (Withdrawn)
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	2.10	ACUITE D (Withdrawn)

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings 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 6,000 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 Mumbai.

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