



Press Release

Blue Horizon Hotels Private Limited

February 24, 2022

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	630.00	ACUITE D Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	630.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE D**' (read as **ACUITE D**) on the Rs.630.00 Cr Non-Convertible Debentures of Blue Horizon Hotels Private Limited (BHHPL). This is now an indicative rating and is based on the best available information.

The downgrade of the rating is on account of sharp deterioration in the business risk profile of the company and the consequent delay in coupon payments which was due on 30th November and 31st December, 2020 for the rated Non-Convertible Debentures. The delay in coupon payment is attributable to delays in collection of rentals.

About the Company

Blue Horizon Hotels Private Limited (BHHPL) was incorporated January, 2007 by Late Mr. A. M. Rama Raju. BHHPL was established with the objective of constructing malls, hotels and commercial complexes as well as residential buildings. BHHPL is currently managed by, Mr. A. C. Srinivasa Raju, Mr. A.V. Nitin Raju and Mr. V. Sachin Raju. BHHPL derives its revenues through leasing of space at its marquee property, Vega City Mall. The mall has area 4.5 lakh sq. ft. and located at Bannerghatta Road, Bangalore. As on date, the mall has been leased out to 150 tenants.

Non-cooperation by the issuer/borrower:

Acuité had requested for information from the rated entity regarding the coupon payment; however had received limited response.

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 Acuite to comment upon."

Material Covenants

Not Applicable

Liquidity Position

No information provided by the issuer / available for Acuite 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

- 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>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.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
08 Jan 2021	Non Convertible Debentures	Long Term	630.00	ACUITE D (Downgraded and Issuer not co-operating*)
10 Dec 2020	Non Convertible Debentures	Long Term	630.00	ACUITE C (Downgraded and Issuer not co-operating*)
23 Nov 2020	Non Convertible Debentures	Long Term	630.00	ACUITE BB Stable (Assigned)
01 Oct 2020	Proposed Non Convertible Debentures	Long Term	630.00	ACUITE Provisional BB Stable (Assigned)
23 Mar 2020	Proposed Long Term Loan	Long Term	510.00	ACUITE BBB- (Withdrawn)
05 Dec 2019	Proposed Long Term Loan	Long Term	510.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Other	INE416S07035	Non-Convertible Debentures (NCD)	26-10-2020	2.5	26-10-2024	630.00	ACUITED 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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