

Press Release

DREAM GATEWAY HOTELS LIMITED

September 16, 2024

Rating Reaffirmed, Withdrawn & Issuer Not Cooperating



Product	Quantum (Rs. Cr)	Long Term Rating	SI
Bank Loan Ratings	76.68	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*	-
Bank Loan Ratings	3.63	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	80.31	-	-

Rating Rationale

Acuite has reaffirmed and withdrawn its long-term rating of 'ACUITE BB+' (read as ACUITE double B Plus) for the Rs. 76.68 Cr. bank facilities of Dream Gateway Hotels Limited (DGHL). Acuite has also withdrawn the proposed long-term facilities of Rs. 0.03 Cr. of Dream Gateway Hotels Limited (DGHL) without assigning any rating as it is a proposed facility. The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating has been withdrawn on account of the request received from the company and NOC (No Objection Certificate) received from the banker. Acuite has also withdrawn its long-term rating of Rs. 3.60 Cr. bank facilities of Dream Gateway Hotels Limited (DGHL) without assigning any rating as the instrument is fully repaid. The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating has been withdrawn on account of the request received from the company and NDC (No Dues Certificate) received from the banker.

The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

About the Company

Dream Gateway Hotels Limited (DGHL) was originally incorporated at Kolkata as Dream Gateway Hotels Private Limited on 4th February, 2009, under the provisions of the Companies Act, 1956, and subsequently, the Company was converted into a Public Limited Company vide a Fresh Certificate of Incorporation dated 21st June, 2017. The company is into real estate business and hospitality business. The Company is operating the Hotel Holiday Inn Kolkata since February 2017, which is located next to City Centre - II in New Town and offers 137 rooms. The hotel is built on an area of 1 lakh sq. ft. and offers three specialty restaurants, two floors of banqueting facilities, swimming pool, gym and a spa. It is also involved in the development of residential real estate projects in Kolkata and its suburban areas. Mr. Rishi Jain is the managing director of the company.

Unsupported Rating

Not Applicable.

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 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 endeavoured 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.

Rating Sensitivity

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

Liquidity Position

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

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	57.99	33.77
PAT	Rs. Cr.	1.17	0.51
PAT Margin	(%)	2.02	1.51
Total Debt/Tangible Net Worth	Times	3.48	4.20
PBDIT/Interest	Times	1.91	1.92

Status of non-cooperation with previous CRA

Not Applicable.

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
21 Jun 2024	Cash Credit	Long Term	5.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Term Loan	Long Term	47.80	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Covid Emergency Line.	Long Term	23.88	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Proposed Long Term Bank Facility	Long Term	0.03	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Cash Credit	Long Term	3.60	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
03 Apr 2023	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	47.80	ACUITE BBB Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	23.88	ACUITE BBB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.03	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	3.60	ACUITE BBB Stable (Assigned)
08 Mar 2023	Cash Credit	Long Term	4.44	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	51.55	ACUITE BBB Stable (Assigned)
	Covid Emergency Line.	Long Term	20.72	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.00	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
South Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.60	Not Applicable Withdrawn
Yes Bank Ltd	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	23.88	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.03	Not Applicable Withdrawn
Yes Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	47.80	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in Akshit Agrawal Associate Analyst-Rating Operations Tel: 022-49294065 akshit.agrawal1@acuite.in	Varsha Bist Associate Vice President-Rating Administration Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.