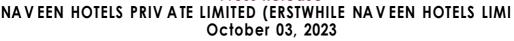


Press Release





Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE BB Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)		-	-

Rating Rationale

Acuité has downgraded its long term rating to 'ACUITE BB' (read as ACUITE double B)' on the Rs 10.00 crore bank facilities of Naveen Hotels Private Limited. This rating is now an indicative rating and is based on best available information. The rating is downgraded on account of information risk.

About the Company

Naveen Hotels Ltd was incorporated in September 1975, by Mr. R N Shetty. The Company was formed with the main object to run Hotel, Lodging, Restaurant, Bars, Holiday Resort and Transportation. Naveen Hotels Ltd. is a group concern of R N Shetty Group of Companies. Directors of Naveen Hotels Limited are Ms. Anisha Puneeth Punja, Mr. Shivabasayya Siddaramayya Hiremath, Mr.Sankappa Keremane Shetty, Mr. Shobha Jeevan Shetty, Mr. Satish Rama Shetty, Mr. Naveen Rama Shetty, Mr. Nagaraj Hiriyanna Shetty, Mr. Sandip Malli Kaidale, Mr.Sunil Rama Shetty, Mr. Billadi Sudesh Kumar Hegde, Mr.Abhayanand Raghu Shetty, Ms. Shetty Satish Anvitaa. Naveen Hotels Limited had constructed a 5-star hotel in the garden city of Bangalore in the year 1982 having 166 rooms, Bauguet hall and all other luxury amenities and the same was leased to Taj Group on long term lease basis which is known as Vivanta by Taj. In the year 2006. The company had constructed another 5-star hotel having 324 rooms with other luxury amenities and handed over the property to run on joint collaboration basis with Indian Hotels Co. Ltd., for a long term lease basis at Yeshwanthpur. The said hotels are known as Vivanta by Taj, Yeshwanthpur. The company also have its own 3- star rating hotels in Hubli and with a beach resort and golf field in Murudeshwar region.

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 noncooperation 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 ratingis based.

Rating Sensitivities

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

All Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 23 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	57.54	31.56
PAT	Rs. Cr.	11.70	1.27
PAT Margin	(%)	20.34	4.02
Total Debt/Tangible Net Worth	Times	0.82	0.90
PBDIT/Interest	Times	4.16	2.30

Status of non-cooperation with previous CRA

None

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
- Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm
- Service Sector: https://www.acuite.in/view-rating-criteria-50.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
07 Jul 2022	Term Loan	Long Term	10.00	ACUITE BB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance		Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Karnataka Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	10.00	ACUITE BB Downgraded Issuer not co- operating*

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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.

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