



Press Release

NAVEEN HOTELS PRIVATE LIMITED (ERSTWHILE NAVEEN HOTELS LIMITED)

December 30, 2024

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)	10.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

* The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has downgraded the long-term rating to ‘**ACUITE BB-**’ (read as **ACUITE double B minus**) from ‘**ACUITE BB**’ (read as **ACUITE double Bo**) on the Rs.10.00 crore bank facilities of Naveen Hotels Private Limited on account of information risk. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

Naveen Hotels Private Limited 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 Hiriyantha Shetty, Mr. Sandip Malli Kaidale, Mr. Sunil Rama Shetty, Mr. Billadi Sudesh Kumar Hegde, Mr. Abhayanand Raghu Shetty, Ms. Shetty Satish Anvita. Naveen Hotels Limited had constructed a 5-star hotel in the garden city of Bangalore in the year 1982 having 166 rooms, Bauquet 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.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower:

Acuite 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. Acuite 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 Acuite’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.

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 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	58.45	32.41
PAT	Rs. Cr.	12.72	1.27
PAT Margin	(%)	21.76	3.92
Total Debt/Tangible Net Worth	Times	0.82	0.90
PBDIT/Interest	Times	3.77	2.30

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

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

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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
03 Oct 2023	Term Loan	Long Term	10.00	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+ Stable)
07 Jul 2022	Term Loan	Long Term	10.00	ACUITE BB+ Stable (Assigned)

* The issuer did not co-operate; based on best available information.

Annexure - Details of instruments rated

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

** The issuer did not co-operate; based on best available information.*

Contacts

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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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