



Press Release

Hotel Tara Palace (HTL)

January 4, 2024

Ratings:

Instrument / Facility	Amount (INR Crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	55.26	IVR BB-/ Negative; ISSUER NOT COOPERATING * (IVR Double B Minus with Negative Outlook; Issuer Not Cooperating) *	Rating revised and moved to Issuer Not Cooperating category	Simple
Total	55.26 (Rupees Fifty Five crore and Twenty Six lakh only)			

**Issuer did not cooperate; based on best available information*

Details of Facility are in Annexure 1

Detailed Rationale

The revision in the ratings reflects lack of adequate information available, non-payment of annual surveillance fees and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

Non-cooperation by Issuer

Infomerics has been regularly following up with the firm to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications November 01, 2023, November 17, 2023, December 14, 2023, December 27, 2023, and January 01, 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the firm's management has not submitted NDS (No default statement) since October 2023 and other essential details/information.



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Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the ratings for the bank facilities of HTL aggregating Rs.55.26 crore has been revised and moved to 'ISSUER NOT COOPERATING' to IVR BB-/ Negative; ISSUER NOT COOPERATING category by Infomerics.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Service Sector Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Criteria of Rating Outlook](#)

[Policy of default recognition](#)

About the Company

HTP was established in the year 2017. The firm is currently operating a resort, auditorium and bar & restaurants under the trade name 'Royal Ritz' at Amargol in Hubli, Karnataka. The property has 82 rooms which includes 78 deluxe rooms, 2 suite rooms and 2 cottage rooms. The property also has an auditorium and 2 bar-cum-restaurants. The commercial operations commenced in July 2022. HTP is a part of the KGP group which is primarily engaged in jewellery business. The partners of the firm belong to the goldsmith family as well as are partners in big jewellery showroom under the trade name of KGP group located in Hubli, Davangere, Koppala, Gangavati, Mudhool, Bangalore, Vijaypur and Haveri. The firm is being managed by Mr. Ganesh D Shet, Mr. Santosh G Shet, Mr. Srigandh Shet, Ms. Surekha G Shet, Ms. Vidya M Shet and Mr. Sandesh Raikar collectively.

Financials (Standalone):

For the year ended/* As On	(Rs. crore)	
	31-03-2021 (Audited)	31-03-2022 (Audited)
Total Operating Income	-	-
EBITDA	-	-
PAT	-	-



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For the year ended/* As On	31-03-2021	31-03-2022
	(Audited)	(Audited)
Total Debt	6.82	62.01
Tangible Net-worth	4.32	4.27
Ratios:		
EBITDA Margin (%)	-	-
PAT Margin (%)	-	-
Overall Gearing Ratio (x)	1.58	14.53

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

S. No	Name of Instrument/ Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (December 29, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Term Loan	Long Term	55.26	IVR BB-/ Negative; Issuer Not Cooperating *	IVR BB/ Stable	--	--

*Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt



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instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Instruments / Facilities

Name of Instruments / Facilities	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Term Loan	-	-	April, 2032	55.26	IVR BB-/ Negative; Issuer Not Cooperating *

* Issuer did not cooperate; based on best available information

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable



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Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.