



## Press Release

### Tirumala Enterprises

**March 01, 2024**

#### Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	45.93	IVR B+/ Negative ISSUER NOT COOPERATING* (IVR B plus with Negative Outlook Issuer Not Cooperating)	Downgraded from IVR BB-/ Stable (IVR double B minus with Stable outlook) and moved to Issuer Not Cooperating category	Simple
Short Term Bank Facilities	0.20	IVR A4 ISSUER NOT COOPERATING* (IVR A four Issuer Not Cooperating)	Reaffirmed and moved to Issuer Not Cooperating category	Simple
<b>Total</b>	<b>46.13</b> <b>(INR Forty six crore and thirteen lakh only)</b>			

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

#### Details of Facilities are in Annexure 1

#### Detailed Rationale

The ratings revision is because of lack of adequate information regarding Tirumala Enterprises' (TE) performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company 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 company.



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### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned rating to the bank facility, vide mail communications dated December 29,2023, December 20,2023, January 2,2024, January 10,2024, January 12,2024, February 12,2024, February 23,2024, February 27,2024 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

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 long-term and short term ratings of the bank loan facilities aggregating to INR 46.13 crore of Tirumala Enterprises shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term ratings will be at 'IVR B+/ Negative ISSUER NOT COOPERATING' based on best available information (IVR B plus with negative outlook Issuer not cooperating based on best available information) and the short term rating will be at 'IVR A4 ISSUER NOT COOPERATING' based on best available information (IVR A four Issuer not cooperating based on best available information).

**Analytical Approach & Applicable Criteria:** Standalone

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

[Rating Methodology for Service Sector Companies](#)

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

[Criteria of Rating Outlook](#)

### **About the Entity**

Tirumala Enterprises (TER) formed by Mr. Govindappa Balappa Dandagi – proprietor of the entity in 2021. The entity runs a hotel by the name of Fortune Park Airport Road Hubballi. It is a member of the ITCs hotel group. The hotel is strategically located on Gokul Road, just opposite of Hubballi airport. The hotel offers 90 guest rooms and suites featuring warm and modern décor. The hotel rooms are equipped with array of amenities.



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### Financials (Standalone)

(INR Crore)

For the year ended / INR. Crore	31-03-2021	31-03-2022
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	-	5.53
EBITDA	-	2.32
PAT	-	0.22
Total Debt	-	45.41
Tangible Net Worth	-	8.35
EBITDA Margin (%)	-	41.90
PAT Margin (%)	-	4.02
Overall Gearing Ratio (x)	-	5.44

\* As per Infomerics Standard

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (January 05, 2023)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Term Loan	Long Term	37.43	IVR B+/ Negative ISSUER NOT COOPERATING*	IVR BB-/ Stable	-	-
2.	Mortgage Loan	Long Term	5.00	IVR B+/ Negative ISSUER NOT COOPERATING*	IVR BB-/ Stable	-	-
3.	Overdraft	Long Term	3.50	IVR B+/ Negative ISSUER NOT COOPERATING*	IVR BB-/ Stable	-	-
4.	Bank Guarantee	Short Term	0.20	IVR A4 ISSUER NOT COOPERATING*	IVR A4	-	-

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

Name and Contact Details of the Rating Analyst:



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Name: Mr. Sandeep Khaitan

Tel: (033) 4803 3621

Email: [sandeep.khaitan@infomerics.com](mailto:sandeep.khaitan@infomerics.com)

### 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 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](http://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



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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 Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	Long Term	-	July 2031	1.63	IVR B+/ Negative ISSUER NOT COOPERATING*
Term Loan	Long Term	-	May 2031	3.49	IVR B+/ Negative ISSUER NOT COOPERATING*
Term Loan	Long Term	-	July 2031	0.21	IVR B+/ Negative ISSUER NOT COOPERATING*
Term Loan	Long Term	-	July 2031	3.09	IVR B+/ Negative ISSUER NOT COOPERATING*
Term Loan	Long Term	-	July 2031	12.13	IVR B+/ Negative ISSUER NOT COOPERATING*
Term Loan	Long Term	-	July 2031	1.75	IVR B+/ Negative ISSUER NOT COOPERATING*
Term Loan	Long Term	-	July 2031	1.12	IVR B+/ Negative ISSUER NOT COOPERATING*
Term Loan	Long Term	-	July 2031	3.44	IVR B+/ Negative ISSUER NOT COOPERATING*
Term Loan	Long Term	-	July 2031	2.65	IVR B+/ Negative ISSUER NOT COOPERATING*
Term Loan	Long Term	-	June 2024	1.96	IVR B+/ Negative ISSUER NOT COOPERATING*
Working capital Term Loan GECL 3	Long Term	-	May 2027	3.36	IVR B+/ Negative ISSUER NOT COOPERATING*
GECL 3 Extension	Long Term	-	January 2028	1.60	IVR B+/ Negative ISSUER NOT COOPERATING*



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Term Loan	Long Term	-	December 2028	1.00	IVR B+/ Negative ISSUER NOT COOPERATING*
Mortgage Loan	Long Term	-	-	5.00	IVR B+/ Negative ISSUER NOT COOPERATING*
Overdraft	Long Term	-	-	3.50	IVR B+/ Negative ISSUER NOT COOPERATING*
Bank Guarantee	Long Term	-	-	0.20	IVR A4 ISSUER NOT COOPERATING*

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

**Annexure 2: Facility wise lender details: Not Applicable**

**Annexure 3: List of companies considered for consolidated analysis: Not Applicable**

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

**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](http://www.infomerics.com)