



Rating Rationale

AAR Royal Residency Pvt Ltd

2 Aug 2018

Brickwork Ratings has reviewed the Rating assigned to the bank loan facilities of Rs.1.89Cr of based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is reaffirmed to BWR C- ISSUER NOT COOPERATING*

Particulars

Facility Rated	Amount(Rs. Crs)		Tenure	Rating ##	
	Previous	Present		Previous November 2016	Present
Term Loan	6.00	#1.89	Long Term	BWR C - (Pronounced as BWR C Minus)	BWR C- (Pronounced BWR C Minus) ISSUER NOT COOPERATING* (Reaffirmed)
Total	6.00	1.89	(Rupees One Crore and Eighty Nine Lakhs Only)		

#Outstanding as on 16th May 2018

##Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate; Based on best available information

Nature of Non-co-operation:

The rating was due for a review in November 2017. BWR took up with the issuer to provide required information over emails and through telephonic communication. Despite the best efforts of BWR to get at least the minimum required information for a review, the company has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer's financial performance and its ability to service its debt and maintain a valid rating. However considering the lender's feedback in terms of honouring the debt obligations by the company, Brickwork Ratings has reaffirmed the ratings to BWR C- ISSUER NOT COOPERATING*

Limitations of the rating:

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity



arising from its non-transparency and withholding of information required for a review of the rating.

About the Company

AAR Royal Residency Pvt Ltd. Tirunelveli, Tamil Nadu, was promoted by Mr. Ayya Durai Pandian and Ms. Alli Rani, in the year 2012. The hotel has 37 rooms including suites, 24-hour coffee Lounge, Multi-cuisine restaurant, conference halls, spa, casino bar, electronic safe locker, valet parking, currency exchange, fitness centre and swimming pool.

Rating History for the last three years (including withdrawn/suspended ratings)

S No	Facility	Current Rating - 2018			Rating History			
		Type	Amount rated (Rs. Crs)		Rating	2017	2016 (4 th Nov 2016)	2015
			Previous	Present				
1	Term Loan	Long Term	6.00	1.89	*BWR C- ISSUER NOT COOPERATING Reaffirmed	--	BWR C-	---
Total			6.00	1.89	Rupees One Crore and Eighty Nine Lakhs Only			

* Issuer did not cooperate; Based on best available information

KEY FINANCIAL INDICATORS

Particulars	FY15(Actual)	FY16 (Actuals)	FY17 (Actuals)
Total Operating Income (In Crs)	1.08	1.56	2.71
EBIDTA (In Crs)	0.39	0.49	0.72
PAT (In Crs)	-1.18	-1.06	-0.47
Net worth (In Crs)	-1.16	-2.22	-2.68
Total Debt / TNW (Times)	-8.30	-4.45	-3.67
DSCR (Times)	0.53	0.27	0.39

Status of non-cooperation with previous CRA: Not Applicable.

Any other information : NA

Hyperlink/Reference to applicable Criteria / Policies



- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [What Constitutes Non-cooperation](#)

Analytical Contacts	Media
<i>Varadarajan R</i> <i>Chief Manager – Ratings</i> analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 11,99,663 Cr. In addition, BWR has rated over 6819 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹48,803 Cr have been rated.



DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.