

RATING RATIONALE

AMBASSADOR HOTEL

Brickwork Ratings downgraded the long term ratings for the bank loan facilities of ₹ 7.50 Crores of Ambassador Hotel based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (Sep, 2019)	Present
Fund Based Fund Based	7.50	7.50	Long Term	BWR B Stable Downgrade Issuer Not Cooperating	BWR B- Stable Downgrade Issuer Not Cooperating
Total	7.50	7.50	INR Seven Crores Fifty Lakhs Only		

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

Issuer did not co-operate; based on best available information.

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

BWR downgraded the long term rating to BWR B- Stable of Ambassador Hotel based on the best available information as the Issuer did not Cooperate.

Initially BWR had rated Bank Loan facilities of Rs. 7.50 Crs (Fund based) of Ambassador Hotel on 11 August 2017. The rating assigned was a long term rating of BWR B+ Stable. The rating was due for review in August,2018. The rating was further downgraded to BWR B Stable under Issuer Not Cooperating on 30th September, 2019. BWR took up with the issuer/bank to provide required information over emails. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. . In the absence of adequate information from the issuer/Company, BWR is unable to assess the issuer's/Company's financial performance and its ability to service its debt and maintain a valid rating.

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 ratings 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.



KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY16	FY17
Result Type		Audited	Provisional
Operating Revenues	Crs	2.18	3.12
EBIDTA	Crs	(0.46)	(1.11)
PAT	Crs	(1.51)	(0.72)
Tangible Net Worth	Crs	1.94	2.54
TD/TNW	Times	5.25	3.36
Current Ratio	Times	0.36	0.43

COMPANY PROFILE [AS AVAILABLE WITH BWR]

Ambassador hotel was set up as a three star hotel property in Jalandhar, Punjab by Mr. Simardeep Singh in 2015. The hotel has 33 rooms – 11 standard rooms, 11 deluxe rooms, and 11 suites. The proprietor has taken the leverage in operations and marketing of OYO Rooms, a subsidiary of Oravel Stays Pvt. Ltd. Ambassador hotel has been equipped to provide varied services and houses 3 banquet halls, 3 board rooms, and restaurants.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : N.A

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

Instrument /Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2019	2018	2017
Fund Based Fund Based	Long Term	7.50	BWR B- Stable Downgrade Issuer Not Cooperating	BWR B Stable Downgraded Issuer Not Cooperating	NA	BWR B+ Stable Assigned
Total		7.50	INR Seven Crores Fifty Lakhs Only			

^Issuer did not co-operate; based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

[General Criteria](#)

[Approach to Financial Ratios](#)

[What Constitutes Non-Cooperation](#)

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ANNEXURE I -

Ambassador Hotel

Details of Bank Facilities rated by BWR

Sl. No.	Name of the Bank	Type of Facilities	Long Term/Short Term [₹ Cr]	Total[₹ Cr]
1	Oriental Bank of Commerce	<u>Fund Based</u> Cash Credit Limit Term Loan	<u>Long Term</u> 1.50 6.00	7.50
TOTAL INR Seven Crores Fifty Lakhs Only				7.50



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