

## RATING RATIONALE

23 Mar 2020

### ASV Hotels & Properties Developers

**Brickwork Ratings downgrades the Rating for the Bank Loan Facility of INR 5.77 crores of ASV Hotels & Properties Developers based on the best available information, as the issuer did not cooperate.**

#### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Dec, 2018)	Present
Fund Based	5.77	5.77	Long Term	BWR B <u>Stable</u> Assigned	BWR B- <u>Stable</u> Downgraded Issuer Not Cooperating*
<b>Total</b>	<b>5.77</b>	<b>5.77</b>	<b>INR Five Crores and Seventy Seven Lakhs Only</b>		

# Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\* Issuer did not cooperate, based on best available information.

Details of Bank facilities is provided in Annexure-I

#### RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION

**Downgraded the rating to BWR B- (Outlook: Stable); (Issuer Not Cooperating) based on the best available information as the issuer did not cooperate.**

The rating was due for review in Dec, 2019. BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the company, BWR is unable to assess the company's financial performance and its ability to service its debt and maintain the valid rating. Hence, on account of inadequate information and lack of management cooperation, Brickwork Ratings has downgraded the rating to BWR B- (Outlook: Stable); Issuer Not Cooperating.

**LIMITATIONS OF THE RATING:** Information availability risk is the key factor in the assessment of the credit risk as generally, non-cooperation 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.

**KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR in Dec, 2018]**

Key Parameters	Units	FY 2018	FY 2017
Result Type		Audited	Audited
Operating Revenue	INR crs.	0.00	0.00
EBITDA	INR crs.	-0.03	-0.09
PAT	INR crs.	-0.04	-0.09
TNW	INR crs.	3.35	2.72
Total Debt/TNW	Times	1.61	1.93
Current Ratio	Times	0.08	0.06

**FIRM'S PROFILE**

ASV Hotels & Properties Developers was constituted as a partnership firm on 20th of July 2012 among six partners with the main objective of engaging in the hotel constructing and property developing business. The firm is constructing a hotel in Lucknow, Uttar Pradesh. The starting date of the construction of the hotel was November 2014 and the tentative completion date will be November 2019. The firm has joined hands with Unique Mercantile India Pvt Ltd and as per the agreement with Unique, ASV will construct the hotel and the interiors will taken care by Unique which will operate the hotel as well under the name of Howard Johnson which is a world famous brand of hotel by Wyndham Group. ASV will share 15% of the revenue from the hotel.

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA**

## RATING HISTORY

Facility	Current Rating (2020)			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	Dec, 2019	Dec, 2018	2017
<b>Fund Based</b>	Long Term	5.77	<b>BWR B- Stable</b> Downgraded <b>Issuer Not Cooperating*</b>	<b>Rating Not Reviewed</b>	<b>BWR B Stable</b> Assigned	-
<b>Total</b>		5.77	<b>INR Five Crores and Seventy Seven Lakhs Only</b>			

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

## COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://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

### ASV Hotels & Properties Developers

#### Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Allahabad Bank	Term Loan	5.77	-	5.77
<b>TOTAL</b>					<b>5.77</b>

**Total Rupees Five Crores and Seventy Seven Lakhs Only.**

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