



Rating Rationale

Ambassador Hotel

30 Sep 2019

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹7.50 Crores of Ambassador Hotel based on the best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#		
	Previous	Present		Initial (Aug 2017)	Previous (Nov 2018)	Present
Fund based	7.50	7.50	Long Term	BWR B+ (BWR B Plus) Stable	RNR	BWR B (BWR B) Stable [Downgraded] Issuer Not Cooperating*, based on best available information
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 cooperate, based on best available information.

Details of Bank facilities provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The rating of the Bank Loan Facilities of the firm have been downgraded to BWR B Stable under ‘Issuer Not Cooperating’ category from BWR B+ Stable.

BWR had initially rated Bank Loan facilities amounting Rs.7.50 Crs (Fund based) on Aug, 2017 assigning rating of BWR B+ Stable. The rating was moved to RNR in Nov 2018. BWR took up with the issuer consistently to provide required information over emails and telephonic communication. Further, as BWR is unable to reach its bankers, banker’s feedback regarding the conduct of account is not available. 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 firm, BWR is unable to assess the firm’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]

Particulars	Units	2016	2017
		Audited	Provisional
Net Sales/Revenues	₹ Cr	2.18	3.12
EBITDA	₹ Cr	-0.46	-1.11
PAT	₹ Cr	-1.51	-0.72
Tangible Net Worth	₹ Cr	1.94	2.54
Total Debt : TNW	Times	5.25	3.36
Current Ratio	Times	0.36	0.43

COMPANY PROFILE[As available with BWR in August,2017]

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: Not available

Rating History

Instrument / Facilities	Current Rating			Rating History	
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Current Rating	2018	2017
Fund Based	Long Term	7.50	BWR B (BWR B) Stable [Downgraded] Issuer Not Cooperating*, based on best available information	RNR	BWR B+ (BWR B Plus) Stable
Total		7.50	INR Seven Crores Fifty Lakhs Only		

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 [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	OBC Bank, Rama Mandi, Jalandhar	CC TL	1.50 6.00	-	1.50 6.00
TOTAL					7.50

INR Seven Crores Fifty Lakhs Only

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