

**Rating Rationale**

**Royale Manor Hotels and Industries Limited**

**Brickwork Ratings downgrades the long term rating of Rs. 6.90 Crores of Royale Manor Hotels and Industries Limited based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is as under**

**Particulars**

Facility	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous** (Sep 2019)	Present
<b>Fund based</b>	6.90	6.90	<b>Long Term</b>	<b>BWR BB Issuer Not Cooperating*</b>	<b>BWR BB-[Downgraded] Issuer Not Cooperating*</b>
<b>Total</b>	<b>6.90</b>	<b>6.90</b>	<b>₹ Six Crores and NinetyLakhs 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 provided in Annexure-I

**RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION.**

The rating of the Bank Loan Facilities of the company have been downgraded to the long term rating BWR BB-/Stable under ‘Issuer Not Cooperating’ category from BWR BB/Stable. On the basis of public domain information , keeping in view of PAT losses in Q1FY21 , Substantial decline in top line in Q1FY21. The company had also not submitted the NDS from last few months till date & the latest 6 months bank statement. BWR has been consistently following up with the entity management which has remained non co-operative to submit the information/papers required for the review of rating despite our regular follow up from the last 6 months.

BWR had initially rated Bank Loan facilities amounting to Rs.6.90 Crs in July, 2013 assigning rating of BWR BB-/Stable. Subsequently, the rating was upgraded to BWR BB/Stable in may 2015. The rating was moved to RNR in Aug 2018. Further rating was moved to BWR BB-/Stable under issuer non cooperation in Sep 2019. BWR took up with the issuer consistently to provide required information over emails and telephonically dated 28 /7/2020, 18/8/2020 ,



1/9/2020, 3/9/2020, 7/9/2020 and 14/09/2020 . The client has shown interest in the withdrawal of rating and to provide closure / no due certificate . However, despite long follow up , we have not received any document for the same. Further, BWR also took follow up with the banker for conduct of account over various emails dated 28 /7/2020, 18/8/2020 , 1/9/2020, 3/9/2020, 7/9/2020 and 14/09/2020 for the conduct of accounts but the banker has not responded to provide the feedback. 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 entity’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	2020	2019
Result Type		Audited	Audited
Net Sales/Revenues	₹ Cr	21.47	23.20
EBITDA	₹ Cr	4.39	5.46
PAT	₹ Cr	2.52	3.30
TNW	₹ Cr	43.73	41.24
Total Debt : TNW	Times	0.19	0.20
Current Ratio	Times	2.07	1.92

*Note: Latest financial are taken from public domain*



## COMPANY PROFILE

The Company was incorporated on 19th June, 1991 as Royal Manor Hotels Limited in the state of Gujarat at Ahmedabad. The name was subsequently changed to Royale Manor Hotels and Industries limited on 1st November, 1991. The first project for a five-star hotel had started its operation in Oct.'95 at Ahmedabad, In the year 2000, the Company has entered into “Hotel Operating Agreement” with The Indian Hotels Company Limited (Taj Group) for managing operations for a period of 20 years and was designated as "Taj Residency Ummed " Ahmedabad and from June-2009, it was renamed as “The Gateway Hotel Ummed” Ahmedabad. The Key management personnel are Mr UmmedSingh P Champawat, Dr Praveenkumar R Patel, Mr. Jayesh Dave, Dr. Ram Prakash Kothari, Mr. Vishwajeetsingh Champawat .

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY:** India Rating BB+/A4+ Issuer non cooperation and Withdrawn on 3rd April 2020

## RATING HISTORY FOR LAST 3 YEARS ( INCLUDING WITHDRAWN/SUSPENDED)

Facilities	Current Rating 2020			Rating History				
	Current Rating			25 Sep 2019	2018	2017		
Bank Loan	FB	6.90	BWR BB- Stable (Downgraded) Issuer Not Cooperating*	FB	6.90	BWR BB Stable (Reaffirmed) Issuer Not Cooperating*	Not Rated	Not Rated
							Not Rated	Not Rated

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

Note: The company was initially rated 1st July 2013 as BWR BB-/Stable

## 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**

Analytical Contacts	Investor and Media Relations
<p><b>Ushadevi V Dogra</b> Rating Analyst +91 22 2831 1439 Ext: 650 ushadevi.d@brickworkratings.com</p> <p><b>Sushil Kumar Chitkara</b> Associate Director - Ratings B :+91 22 28 31 1416, +91 22 2831 1439 sushilkumar.c@brickworkratings.com</p>	<p>Liena Thakur Assistant Vice President - Corporate Communications +91 84339 94686 liena.t@brickworkratings.com</p>

### ANNEXURE I- Royale Manor Hotels and Industries Limited 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.	<b>Punjab National Bank</b>	<b>Fund based</b> Term Loan	6.90	-	<b>6.90</b>
<b>TOTAL</b>					<b>6.90</b>

**INR Six Crores and Ninety Lakhs Only**



**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.

**About Brickwork Ratings :** Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partners. 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.

**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.