



SMERA RATINGS LIMITED

# Chandrawati Hospitality and Tourism (CHT)

*Rating  
Rationale*July 27, 2015

Facility	Amount (Rs. Crore)	Rating
Term Loan	14.00	SMERA B-/Stable (Assigned)

SMERA has assigned a rating of '**SMERA B-**' (read as **SMERA single B minus**) to the abovementioned bank facility of Chandrawati Hospitality and Tourism (CHT). The rating is constrained by firm's exposure to project implementation risk. The rating also notes that the firm is susceptible to market risk arising on account of competition from other established hotels. However, the rating draws comfort from the strategic location of the firm's upcoming hotel.

CHT, established in 2010, is a Rajasthan-based partnership firm established to undertake the business of running hotels. CHT is setting up a 104-room hotel in Bharatpur, Rajasthan. The total cost of the project is Rs.24.00 crore, which is funded through promoters' funds of Rs.10.00 crore (equity capital and unsecured loans) and term loan of Rs.14.00 crore.

CHT is exposed to project implementation risk as a significant portion of the construction work is pending. The firm is also exposed to intense competition from several established hotels in Bharatpur.

CHT's rating draws comfort from the strategic location of the upcoming hotel, which is in proximity to several tourist destinations.

## About the firm

CHT, established in 2010, is a Rajasthan-based partnership firm promoted by Dr. Jitendra Singh, Mrs. Beena Singh and Ms. Bijil Singh. CHT is setting up a hotel in Bharatpur, Rajasthan. The firm expects to start commercial operations in July 2016.

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