

### Taleda Square Private Limited: Assigned

Name of the Instrument	Amount (Rs. Crore)	Rating/Outlook
Term Loan	14.00	SMERA B/Stable (Assigned)

SMERA has assigned rating of '**SMERA B**' (**read as SMERA B**) to the Rs.14.00 crore bank facility of Taleda Square Private Limited (TSPL). The outlook is '**Stable**'.

The rating is constrained by project implementation risk which is generally associated with projects under execution. Further, the construction of the hotel was delayed by a year due to delays in approvals from Rail Land Development Authority (RLDA). The rating also factors in the intense market competition in the hotel industry as it is likely to face moderate competitive pressure from existing hotels in Ajmer, Rajasthan.

However, the rating draws support from the experienced management and strategic location of the property. TSPL benefits from its experienced management. Mr. Harshad Talera, the Director possesses more than two decades of experience in running hotels in Pune.

TSPL, incorporated in 2014, is a Pune-based company that plans to set up a multi-functional complex at Ajmer, Rajasthan. The construction of the complex is underway and is likely to be completed by March 2017. The total outlay is estimated at Rs.17.39 crore out of which the company has incurred cost of Rs.7.50 crore as on June, 2016.

#### Rating Sensitivity Factors

- Timely completion of project
- Achieving average revenue rate and projected occupancy levels

#### Outlook-Stable

SMERA believes that the outlook on TSPL's rated facilities will remain stable over the medium term on account of the company's experienced management. The outlook may be revised to 'Positive' in case the company is able to successfully complete its project on time and achieve the expected occupancy and Average Rate of Return (ARR) rate. Conversely, the outlook may be revised to 'Negative' in case of delays in project execution or increase in the size or scope of the project.

#### About the Company

TSPL, incorporated in 2014, is a Pune-based company promoted by Mr. Harshad Talera and Mr. Praveen Mutha. TSPL, is a 100 per cent subsidiary of Smart Hotels Private Limited and has been established to set-up and operate a multi-functional complex in Ajmer, Rajasthan. The complex comprises commercial units and a budget hotel, Smart Inn with 90 rooms. The land has been leased by Rail Land Development Authority (RLDA) for a period of around 45 years. The construction of the hotel is underway and is expected to be completed by March, 2017.

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