

Press Release

Shriji Resort Hotels Private Limited

August 24, 2018



Rating Assigned

Total Bank Facilities Rated*	Rs. 20.00 Cr.
Long Term Rating	ACUITE B / Outlook: Stable

* Refer Annexure for details

Rating Rationale

Acuité has assigned long-term rating of '**ACUITE B**' (**read as ACUITE B**) to the Rs.20.00 crore bank facilities of Shriji Resort Hotels Private Limited (SRHPL). The outlook is '**Stable**'.

SRHPL is a Gujarat based company incorporated on 28 March, 1984 by Mr. Gajendrasinh M Jhala and Ms. Pinky G Jhala. Later in December 1994, Mr. Kanubhai C Patel and Mr. Upendrabhai R Patel were admitted as Directors. The company has undertaken new project to set up a three star category leisure hotel at Saputara (Gujarat). The company plans to set up the hotel with 93 guest rooms, a banquet hall (having capacity to accommodate around 1500 guests and a multi-cuisine restaurant with facilities like Health Club, Swimming Pool, Business Centre and a parking facility within hotel premises.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of SRHPL to arrive at the rating.

Key Rating Drivers:

Strengths

- **Experienced Directors**

The Directors, Mr. Kanubhai C Patel and Mr. Upendrabhai R Patel have experience of more than two and a half decade of working in Hotel Industry. They have established and are running two 3 star hotels in Saputara. The company has undertaken new project to set up another three star category leisure hotel at Saputara.

- **Location advantage**

The proximity of the hotel at Saputara is also known for its wildlife, forests, waterfalls, adventure sports and rich tribal & cultural heritage, which attracts tourist to visit this place for a short vacation.

Weaknesses

- **Nascent stage of operations**

The company has developed a luxury hotel 'Shriji Resort' at Saputara with total 93 rooms which includes 24 Deluxe, 16 Executive Suite and remaining Super Deluxe. The commercial operations are expected to commence from April, 2019.

Outlook: Stable

Acuité believes that the outlook on SRHPL will remain 'Stable' over the medium term. The outlook may be revised to 'Positive' in case the company generates healthy cash flows from operations. The outlook may be revised to 'Negative' in case of failure in generating cash flows due to presence of established competitors in the region.

About the Rated Entity - Key Financials

Not Applicable

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE B / Stable (Assigned)

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About Acuité Ratings & Research:

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