

September 29, 2014

Facility	Amount (Rs. Crore)	Rating
Term Loan	8.00	SMERA D (Reaffirmed)

SMERA has reaffirmed the rating of '**SMERA D' (read as SMERA D)** on the Rs.8.00 crore bank facility of Aishwarya Regency (AR). The reaffirmation reflects continuous delays in principal repayments and interest servicing by the firm. The rating is further constrained by delays in commencement of the firm's commercial operations.

AR, founded in 2008, is a Pune-based partnership firm established to undertake the business of operating a hotel. AR is setting up a three-star hotel and restaurant (spread across 80,000 square feet) in Talegaon, Pune. The firm was expected to commence commercial operations in October 2013; however, there were delays in project execution and the commercial operations are now likely to begin in February 2015. AR has incurred cost overruns of ~Rs.4 crore till date. The firm's project is funded through term loan of Rs.8.00 crore and partners' funds (capital and interest-free unsecured loans) of Rs.17.00 crore. AR's bank statements reflect delays in servicing of interest and repayment of term loan.

AR has entered into a hotel operating agreement with AHS Hospitality India Private Limited in March 2014.

About the firm

AR, established in 2008, is a partnership firm promoted by Mr. Sanjay D. Mali and Mrs. Rupali S. Mali. AR is setting up a three-star hotel in Talegaon, Pune.

AR's net worth stood at Rs.0.19 crore as on March 31, 2014.

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