

July 29, 2010

CARE REVISES THE RATING ASSIGNED TO THE BANK FACILITIES OF CONVENTION HOTELS INDIA PVT. LTD.**Rating**

Facility	Amount (Rs. crore)	Rating ¹	Remarks
Long-term bank facilities (term loans)	142.0	'CARE BB' (Double B)	Revised from CARE BBB- (Triple B minus)
Total	142.0		

Rating Rationale

The revision in rating takes into account delay in completion of the hotel projects necessitating debt restructuring by Convention Hotels India Pvt. Ltd. (CHI).

The rating derives strength from management tie-ups with global hospitality brands for the hotel projects and also the locational advantage of the projects. However, timely and successful completion of restructuring of loans and completion of projects as per the envisaged schedule shall remain the key rating sensitivities.

Company Profile

CHI was established in August 2006 with the objective of developing a group of hotels across the Indian sub continent. CHI is presently undertaking five star hotel development projects at Bangalore and Calangute, North Goa.

Both these projects have been delayed due to delay in financial closure and completion of civil work. Therefore, the company had requested the bankers for revising the term loan repayment schedule the approval for which is awaited.

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