January 28, 2020

Chalet Hotels Limited- Update on Material Event

Summary of Rated Instrument:

Instrument	Rated Amount (Rs. crore)	Rating Outstanding
Term Loans	1,088.4	[ICRA]BBB+(Stable); Outstanding
Long-term Fund-based Limits	135.0	[ICRA]BBB+(Stable); Outstanding
Short-term Non-fund based Limits	75.0	[ICRA]A2; Outstanding
Long-term/short-term Unallocated Limits	462.4	[ICRA]BBB+(Stable)/ [ICRA]A2; Outstanding
Total	**1,760.8**	

Material Event

The Board of Directors of Chalet Hotels Limited (CHL) has approved the acquisition of Belaire Hotels Private Limited (BHPL) and Seapearl Hotels Private Limited (SHPL) on January 17, 2020 for an aggregate enterprise value of ~Rs. 290 crore, subject to fulfillment of certain conditions precedent as agreed in the share purchase agreement. The indicative timeline for completion of the transaction is approximately one month from the date of announcement of the acquisition. BHPL had a networth of Rs. 109.47 crore and a revenue of Rs.42.96 crore as on March 31, 2019. SHPL had a networth of Rs. 10.3 crore and revenue of ~Rs 0.66 lakh as on March 31, 2019.

Impact of the Material Event

The ratings remain unchanged at the earlier ratings of [ICRA]BBB+(Stable) and [ICRA]A2. The ratings factor in demonstrated robust performance of the company's hotel portfolio over the past several years. The ratings also consider the strong promoter group (CL Raheja Group) with considerable experience in hospitality, real estate development and retail businesses, and the financial flexibility available with the company as part of the Group. ICRA is in the process of understanding the implications of the acquisition on the operational as well as financial metrics of CHL and would continue to monitor the same in future.

The previous detailed rating rationale is available on the following link: Click here

Analyst Contacts

Subrata Ray
+91 22 6114 3408
subrata@icraindia.com

Pavethra Ponniah
+91 44 4596 4314
pavethrap@icraindia.com

Abhilash Mishra
+91 22 6114 3421
abhilash.mishra@icraindia.com

Relationship Contact

Jayanta Chatterjee
+91 80 4332 6401
jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Corporate Office
Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

Registered Office
1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50

Branches

Mumbai	+ (91 22) 24331046/53/62/74/86/87
Chennai	+ (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata	+ (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore	+ (91 80) 2559 7401/4049
Ahmedabad	+ (91 79) 2658 4924/5049/2008
Hyderabad	+ (91 40) 2373 5061/7251
Pune	+ (91 20) 2556 0194/ 6606 9999