



Rating Rationale

Cholan Tours Private Limited

15th February 2018

Brickwork Ratings assigns ratings for the bank loan facilities of Rs.14.72 Crs of Cholan Tours Private Limited

Particulars

Facility	Amount (₹ Crs)	Tenure	Rating
Fund Based Cash Credit	2.80	Long Term	BWR B+ (Pronounced BWR Single B Plus) Outlook: Stable Assign
Term Loans*	9.92		
Non-Fund Based Bank Guarantee	2.00	Short Term	BWR A4 (Pronounced BWR A Four)
Total	14.72 (INR Fourteen Crores and Seventy two lakhs only)		

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results up to FY17 and sales figure till Dec'17 and Projections up to FY19 of Cholan Tours Private Limited, publicly available information and information/clarification provided by the company.

The rating draws strength from the professional and experienced management in Travel and Tourism management services, Strong track record of operations, Increase in revenue and healthy growth rate in tourism sector. The ratings are, however, constrained by moderate scale of operations, low net-worth and increase in gearing level. Going forward, sustaining the current income-profit, achieving the futuristic projections by effectively managing the cycle, realizing their receivables and exploring new demands will be the key rating sensitivities.

Rating Outlook: Stable

BWR believes the **Cholan Tours Private Limited** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit



show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Cholan Tours Pvt Ltd (CTPL), started as proprietorship concern in the year 2003 and converted into private limited company in the year 2011. They have admin office situated at Trichy, Tamilnadu with PAN-India offices all over India at major international airports. Company operate tours in India in 3 different brand names. **Indian Panorama** handles inbound tours whereas **South Tourism** is a B2B brand that deals with ground handling works throughout South India and **Window to the World** handles Outbound Tours, Domestic leisure & Business travel.

CTPL first Indian Company to have won 4 National Tourism Awards as 'the Best Inbound Tour Operator in India' from the Ministry of Tourism, Government of India. They are recognized by the Ministry of Tourism, Government of India. They are also member of ASTA (American Society of Travel Agents), PATA (Pacific Asia Travel Association), IATA (International Air Transport Association) and IATO (the Indian Association of Tour Operators) etc.

Company Financial Performance

As per sales figures up to December 2017, Company achieved sales of Rs.38.56 Crs for FY18

Key Financial Indicators

Particulars	FY15 (Actuals)	FY16 (Actuals)	FY17 (Actuals)
Total Income (In Crs)	42.20	48.31	54.81
EBIDTA (In Crs)	3.27	3.35	4.00
PAT (In Crs)	0.22	0.52	0.59
Net worth (In Crs)	2.35	2.83	3.41
Total Debt / TNW (Times)	1.53	1.30	1.87
Current Ratio (Times)	0.95	0.87	0.99



Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Rating History					
		Type (Long Term/Short Term)	Present Rated Amount (Rs Crs)	Rating Feb 2018	2017	2016	2015
1.	Cash Credit	Long Term	2.80	BWR B+ Outlook:Stable Assign	-	-	-
2.	Term Loans		9.92		-	-	-
3.	Bank Guarantee	Short Term	2.00	BWR A4 Assing	-	-	-
Total Amount			14.72	(Fourteen crores and seventy two lakhs only)			

Status of non cooperation with Previous CRA : Non Applicable

Any other information: Non Applicable

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Short Term Debt](#)
- [Approach to Financial Ratios](#)

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

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