

Anupam Infracon Private Limited

March 17, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	38.92 (Reduced from 39.75)	CARE BB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in the rating assigned to bank facilities of Anupam Infracon Private Limited (AIPL) considers the ramping up of scale of operations in 9MFY25 (refers to April 01 to December 31) post commissioning of the hotel in April 2024. However, the rating is constrained by the initial stages of operation post commencement of the hotel, geographical concentration risk with dependence on a single hotel property, capital-intensive business with long gestation period, moderate capital structure, competition from established players, and inherent cyclicity risk associated with the hospitality sector.

However, the rating continues to derive strength from the resourcefulness of promoters, favourable location of the hotel and multiple facilities/ amenities being provided.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in the scale of operations as marked by total operating income (TOI) of above ₹15 crore and gross cash accruals (GCA) above ₹3 crore on a sustained basis.

Negative factors

- Inability of the company to scale up the operations with GCA below ₹2 crore on an ongoing basis.
- Moderation in capital structure and total debt to profit before interest, lease, depreciation, and taxes (PBILDT) above 4x and 9x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CARE Ratings) expects the entity to benefit from its resourceful promoters, with an increase in scale of operations driven by higher occupancy rates and improved average room rent (ARR).

Detailed description of key rating drivers:

Key weaknesses

Initial stages of operation post commencement of the hotel

The project achieved its commercial operations date (COD) on April 04, 2024, and the hotel started its full-fledged operations from May 01, 2024. AIPL has achieved revenue of ₹13.87 crore in 9MFY25. Room rent is the highest contributor to the total revenue, accounting for ₹7.38 crore in 9MFY25.

Going forward, the company's ability to achieve and maintain its envisaged occupancy levels and ARR remains a key rating monitorable.

Geographical concentration risk

The company has only one property situated in Guwahati, Assam, which increases the geographical concentration risk, as the company remains exposed to seasonal uncertainty, competition, government policies & regulations, factors, which lead to cyclicity in the industry. However, these can be mitigated to some extent by diversifying the service offerings into different market segments such as leisure, business, and wedding customers.

Capital-intensive business with long gestation period

The hotel industry is capital-intensive and has a relatively long gestation period. Typically, a new hotel takes about three to four years to break even at the operational level. Establishing the hotel, achieving a satisfactory occupancy rate, and attaining financial stability in the initial period also require time. Therefore, the promoter must continue to support the operations until these parameters reach the desired levels. Maintenance capital expenditures remain high in the hospitality industry due to the regular replacement of furniture and evolving trends.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Moderate capital structure

The capital structure of the company remained weak and stood at 2.16x as on March 31, 2024. Going forward, the same is expected to remain moderate as the project has been funded through mix of debt of ₹39 crore and equity/unsecured loans of ₹26 crore. Overall gearing is expected to peak by FY26 mainly due to anticipated losses at profit after tax (PAT) level in initial year of operations and related decline in net worth. CARE Ratings observes, post FY26, overall gearing is expected to improve on the back of gradual repayment of debts and accretion of profits to reserve.

Competition from established players and inherent cyclical risk associated with the hospitality sector

AIPL is facing competition from other luxury segment hotels already present in the vicinity such as Raddison Blu, Novotel, Vivanta, Lily, and Palacio. Increase in competition might put pressure on ARR and revenue per available room (RevPAR), which could impact profitability margins. The hospitality industry is further exposed to inherent cyclical risk and seasonality risk. However, with better quality of service and Guwahati being a commercial and tourist destination, the risk can be partially offset.

Key strengths

Resourceful promoters and group support

The promoter of the Group, Anupam Sharma, has over 25 years of experience in the construction business. The group has flagship company called as Anupam Nirman Private Limited (ANPL), which was incorporated in 2010. ANPL undertakes construction works of roads and bridges for the Central Government, State Government of West Bengal, and Assam and for the Indian Railways. ANPL has total operating income of ~₹835 crore and tangible net worth (TNW) of ~₹286 crore as on March 31, 2024. Currently, the company has order in hand of over ₹4,500 crore.

ANPL is also a shareholder in this company and currently, holding 90.07% equity share capital in AIPL.

Favourable location and multiple facilities/ amenities being provided

The company has its hotel at GS road, Guwahati in Assam, which is an important commercial area with retail, wholesale and offices developed in the vicinity. Moreover, with business customers being its primary focus segment, the hotel has facilities for hosting corporate events and seminars. The hotel also has a quick access from Guwahati airport and railway station, which is at a distance of ~30 Km and 12 Km, respectively.

Guwahati is one of the key urban centres of Assam and the biggest city in North-East India and serves as the major gateway to the whole region. The major tourist spots of Guwahati are Kamakhya Temple, River Cruise on the river Brahmaputra, Shankardev Kalakshetra, Umananda Temple, Assam State Zoo, Shilpagram, Chandubi Lake, Sonapur, and Pobitora Wildlife Sanctuary are other famous spots outskirts the city. It is an ideal location for a hospital given the huge footfall of business travellers and tourist alike. The hotel provides multiple facilities/amenities for its customers, such as 10 suites, two restaurants, one bar-cum-lounge, and a 24- hour Coffee Shop, among others. The hotel also has over 1,200 square feet of conferencing space, banquet halls and spacious boardroom, which can comfortably accommodate mid to large-size meetings such as corporate get together, product launches, weddings, or other social event.

Liquidity: Stretched

Liquidity position of the company is expected to remain stretched in near future due to long gestation period and expected losses in initial years. Successful operating of business is largely contingent upon timely support from promoters. Any delay in infusion of funds from promoters may lead to disruption of normal business activities. The company is expected to generate sufficient cash accruals against debt repayment obligations of ₹0.30 crore in FY25.

Going forward, it remains crucial for the company to scale up its operations and generate revenue as envisaged to meet its debt repayment obligations.

Environment, social, and governance (ESG) risks- Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Hotels & Resorts](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer services	Leisure services	Hotels & resorts

Incorporated in August 2007, AIPL was promoted by Guwahati-based Anupam Sarma. The company has taken up a green-field project and constructed a 5-star hotel in Guwahati having 71 rooms which has commenced operations since April 4, 2024. The project was set up with total cost of ₹65.33 crore, which was funded by bank loan of ₹38.92 crore and promoter's funds of ₹26.41 crore. Currently, the day-to-day affairs of the company are being looked after by Anupam Sarma, promoter, who is supported by a team of professionals.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	0.00	0.00	13.86
PBILDT	-0.01	-0.07	NA
PAT	0.03	-0.04	NA
Overall gearing (times)	0.68	2.16	NA
Interest coverage (times)	-20.80	-23.03	NA

A: Audited, UA: Unaudited, NA: Not Available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	February 2034	38.92	CARE BB+; Stable

Annexure-2: Rating History for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	38.92	CARE BB+; Stable	1)CARE BB+; Stable (29-Apr-24)	-	-	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instrument/facilities- Not applicable

Annexure 4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure 5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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