

Amaltas Hotels Private Limited

May 23, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	44.00	CARE BB-; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to the bank facilities of Amaltas Hotels Private Limited (AHPL) is constrained on account of its small scale of operation with fluctuating profitability, implementation and stabilization risk associated with on-going debt funded capex, leveraged capital structure, weak debt indicators and stretched liquidity. Ratings, also factor its presence in the competitive industry, and vulnerability to macro-economic factors and season uncertainty.

Ratings, however, derive strength from experienced promoter group, tie-up of AHPL with Intercontinental Hotels Group (India) Private Limited (IHG) for its up-coming hotel project and its favourable location.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Stabilization of operations with commencement of hotel within cost and time parameters

Negative factors

- Any major time or cost overrun resulting into tightening of liquidity for timely repayment of debt obligation
- Withdrawal of support from promoters/ promoters' group

Analytical approach: Standalone

Outlook: Stable

The "stable" outlook on the long-term ratings reflects CARE Ratings Limited (CARE Ratings) expectations that the company will continue to benefit from the experience of promoters and its tie-up with IHG under brand name "Holiday Inn Express".

Detailed description of key rating drivers:

Key weaknesses

Small scale of operation with fluctuating profitability

Presently, AHPL operates a 30-room hotel (Amaltas International) in New Delhi. Overall, its scale of operations remained small marked by total operating income (TOI) of ~Rs.3 crore in FY25 (FY24: Rs.9.80 crore). Its existing hotel operates at an average occupancy rate of ~80% and average room revenue (ARR) of Rs.2,847 in FY24.

Profit before interest, lease, depreciation and tax (PBILDT) margin remained moderate in the range of 12-15% during past 4 year ended March 31, 2023, and improved to 42.54% in FY24 due to one-time income. Gross cash accruals (GCA) remained thin in the range of ~Rs.0.40-0.60 crore in last five years ended FY24.

Implementation and stabilization risk associated with on-going debt-funded capex

AHPL is constructing a new hotel with 100 guest rooms, 24/7 in-room dining and free Wi-Fi, as well as a restaurant, bar, swimming pool, fitness centre, and spa at Indore, Madhya Pradesh. The total project cost is estimated at Rs.64.20 crore, which is being financed through debt to equity mix of 2.18x.

Project is under initial stage of execution with total cost of Rs.11.78 crore (~18% completion) being incurred as on March 29, 2025. The same was funded through term loan of Rs.7.75 crore and balance through promoters' equity infusion. Operations are expected to commence from October 2025.

Macro-economic factors and seasonal uncertainty along with presence in the competitive industry

The company is exposed to changes in macro-economic factors, industrial growth, and tourist arrival growth in India, international and domestic demand supply scenarios, competition in the industry, government policies and regulations and other socioeconomic factors which leads to inherent cyclicity in the hospitality industry. These risks can impact the occupancy rate of the company and thereby its profitability. Furthermore, hospitality industry is highly competitive with presence of many organised and unorganised players in the market and online aggregators. AHPL faces competition with presence of the several high rated hotels and resorts having long track record of operations.

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

Leveraged capital structure and weak debt indicators

The capital structure of AHPL remained leveraged marked by overall gearing ratio of 39.65x as on March 31, 2024 (18.86x as on March 31, 2023). Though capital structure remained leveraged, part of the borrowing (working capital borrowing) is fully backed by fixed deposit of the group entity, thus providing adequate cushion. Also, net-worth base of AHPL remains small at Rs.1.04 crore as on March 31, 2024. Promoter has infused additional equity capital of Rs.6.00 crore during FY25, as part of the project funding, thus improving the capital structure.

With the high debt level, overall debt coverage indicators remained weak during FY22-FY24 period.

Key strengths

Experienced promoters

AHPL is promoted by Mr. Suresh Bhadauria, Ms. Aruna Bhadoria and Mr. Mayankraj Singh Bhadoria. Key promoter, Mr. Suresh Bhadauria holds over three decades of experience in various industries through his association ranging from medical institutes, hotels & resorts, education institutes, aviation services and mining among others. Apart from AHPL, promoter also operates one resort (Raddisson Resort Goa Baga) at Goa. Promoters are also constructing a five-star hotel at Indore in association with Indian Hotels Company Limited (IHCL; CARE AA+; Stable/CARE A1+) under "Vivanta" brand.

Tie-up with reputed brand operator IHG under brand name "Holiday Inn Express"

AHPL has entered into a management agreement with IHG for operating hotel under the brand name of "Holiday Inn Express" for a term of 30 years. The same shall be effective from the date of commencement of the commercial operation (DCCO). Association with reputed brand is expected to benefit AHPL for quick stabilization of operations.

Location Advantage

AHPL possess location advantage being its hotel "Holiday Inn Express Indore AB Road" is situated at RK Puram Colony Ab (Agra Bombay) Road, Indore, Madhya Pradesh. The hotel has proximity to attractions such as Omkareshwar, Ralamandal wildlife sanctuary, Patalpani waterfall, Narmada Gath, Maheshwar, Tinchha falls, JahazMahal Mandu, Lotua lake Gulawat.

Liquidity: Stretched

The liquidity of AHPL remains stretched since the project is yet to commence the operation. While term debt of Rs.44.00 crore has been tie-up, it is partly disbursed as on March 31, 2025. Furthermore, out of the envisaged promoter's contribution of Rs.20.20 crore, ~Rs.6.00 crore have been infused as on March 31, 2025.

Going forward, it remains crucial for the company to commence its operations timely and generate revenue as envisaged.

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

Amaltas Hotels Private Limited (AHPL), part of the Amaltas Group, was incorporated in September 1985, by Mr. Suresh Singh Bhadauria, Mrs. Aruna Bhadoria, and Mr. Mayankraj Singh Bhadoria. AHPL owns and operates the 'Amaltas International' hotel with 30 guest rooms in Green Park, New Delhi.

Currently, AHPL is constructing hotel with 100 guest rooms in Indore, Madhya Pradesh. The hotel will be operated under the brand name of "Holiday Inn Express". Operations are expected to commence from October 2025.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	4.40	9.80	3.00
PBILDT	0.57	4.17	NA
PAT	0.03	0.16	NA
Overall gearing (times)	18.86	39.65	NA
Interest coverage (times)	0.99	1.06	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	-	-	-	31-03-2033	44.00	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 2025-2026	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
1	Fund-based - LT-Term Loan	LT	44.00	CARE BB-; Stable	-	-	-	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/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 the 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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