

SM JDB Estate Private Limited

July 18, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	59.80	CARE BB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of the ratings assigned to bank facilities of SM JDB Estate Private Limited (SMJDB) takes into consideration the short track record along with small scale of operations, geographic concentration risk & increasing competition from existing hotels in and around Guwahati, high susceptibility to economic cycles and operations in highly competitive industry, moderate capital structure and weak debt coverage indicators.

However, the ratings derive strength from experienced & resourceful promoters, strategic location of the hotel in Guwahati, good visibility of the 'Novotel' brand & its strong association with Accor Hotels.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Average Occupancy beyond 75% along with improved revenues from F&B sector leading to revenues of over Rs. 50.00 crore while maintaining margins at current levels on a sustained basis.
- Improvement in capital structure on account of gearing levels falling below 2.00x on a sustained basis.

Negative factors

- Decline in occupancy rates lower than 65% leading to revenues below Rs. 25.00 crore on a sustained basis.
- Any adverse alterations in terms of contract with Accor Hotels.
- Any major debt funded capital expenditure leading to deterioration of capital structure from present levels on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects that the entity is likely to improve its financial performance through increased occupancy and Revenue per Available Room (REVPAR).

Detailed description of key rating drivers:

Key weaknesses

Short track record along with small scale of operations

SMJDB commenced commercial operations from March 2017 and accordingly has a short track record of operations (8 years). The company earned Total Operating Income (TOI) (excluding lease rental income) of Rs. 37.49 crore in FY25 indicating an increase from Rs. 33.30 crore in FY24 owing to successful commissioning of its new bar & café along with two new banquets during FY25. The small size deprives it from the benefits of economies of scale and restricts the financial flexibility of the company in times of stress. The occupancy levels of the hotel have improved from 74% in FY24 to 80% in FY25.

The company earned PAT and GCA of Rs. 5.09 crore and Rs. 10.50 in FY25 as against Rs. 0.61 crore and Rs. 7.01 crore in FY24 respectively.

Going forward the revenues are expected to improve on account of higher occupancy levels in hotel and enhanced contribution from food and beverage division. The same is also expected to improve the margins and cash accruals with increase in scale of operations. Further, the company has taken on lease a 16 key resort named 'Rhino and River' from Assam Tourism Development Corporation in Assam for a period of 15 years, which is also expected to generate revenues from FY26 onwards.

Geographic concentration risk & increasing competition from existing hotels in and around Guwahati

The company has one hotel under the brand name of 'Novotel' situated in Guwahati, Assam, and a newly leased resort named 'Rhino and River' located in Pobitora (~40 kms from Guwahati). This increases the geographical concentration risk, as the company

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

remains exposed to seasonal uncertainty, competition and government policies & regulations in the region. However, these can be mitigated to some extent by diversifying the service offerings into different market segments like Leisure, Business and Wedding customers.

Guwahati has witnessed excess supply of room inventories in both quality budget hotels (such as Cygnett Inn Repose, Vivanta, Rajmahal etc.) and high-end hospitality segment (such as Radisson Blu, Royale de Casa etc.) mainly due to Government's initiative to industrialize the Northeast states of India. Further, many more high-end hotels such as Marriott, Taj Vivanta, etc have been operating before SMJDB. With surge in competition and excess supply of room inventories, SMJDB may face pressure on occupancy rates and average room revenues in the short to medium term.

High susceptibility to economic cycles and operations in highly competitive industry

The hospitality industry remains highly fragmented with many local, domestic and international players operating across various hotel segments leading to intense competition in the business. The performance of the hospitality sector is driven by macroeconomic factors like prospects of Indian tourism.

Moderate capital structure and weak debt coverage indicators

The capital structure of the company has improved but continues to remain moderate as overall gearing stood at 3.53x as on March 31, 2025 (P.Y.: 4.73x). The improvement is on account of accretion of profits to reserves. According, Total debt (TD)/Gross cash accruals (GCA) stood weak at 6.43x in FY25 (P.Y.: 9.48x). The capital structure is expected to improve in short to medium term on account of accretion of profits to reserves along with gradual repayment of debt.

Key strengths

Experienced and resourceful promoters

The promoters of SMJDB (i.e. SM Group and JDB Group) have a long business experience in various industries (like cement, coke, iron & steel, cement, bitumen, paper, etc) with an established business presence in Assam.

The SM Group is Guwahati based and was founded in 1958 by Lt. Mohan Lal Jain. The CMD of the SM Group is Mr. Sarat Kumar Jain having more than 4 decades of experience in diversified businesses.

Founded in 1990, JDB Group is a diversified organization having business interest across varied sectors like Lam Coke, Lime products, Cement Plywood, Cold chain, real estate among others. The CMD of the JDB Group is Mr. Shiwaji PD Jaiswal, having more than two decades of business experience.

Good visibility of the 'Novotel' brand & its strong association with Accor Hotels

SMJDB has entered into a 15-year franchise agreement (can be renewed for further 10 years through mutual consent) in May 2016 with Accor Hotels through AAPC India Hotel Management Private Ltd for operating the 5 Star Deluxe Novotel hotel, with a room inventory of 118 rooms spread across 10 floors, located in the GS Road of Guwahati, Assam.

AccorHotels is among the world's largest groups and leading hotel operator involved in tourism and hospitality with presence in over 110 countries across the world with over 40 years of experience in the hospitality industry and has a network of more than 5,600 hotels and greater than 8.5 lakhs rooms inventory across the globe. The vast experience and reach of AccorHotels, and strong brand image of Novotel, will help in better visibility of the hotel leading to sustained occupancy levels in the future.

Strategic location of the hotel

The hotel is favourably located on GS Road, Guwahati 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 located at a distance of about 30 Km and 12 Km, respectively. The nearest 5-star hotel to Novotel is Hotel Vivanta and Hotel Radisson Blu which is at a distance of ~5 km and ~13 kms respectively. Further, Guwahati is the major commercial and educational hub of North-East India and is considered to be the gateway to North-Eastern (NE) region of the country. It is a major wholesale distribution centre, a marketing hub, and also a retail hub of the NE region.

Liquidity: Adequate

Liquidity is marked adequate as company generated GCA of Rs 10.50 crore in FY25 against low debt repayment obligations of Rs 0.50 crore with debt repayment obligations prepaid till Sep'2025 through receipt of capital subsidy. Going forward the company is expected to generate sufficient GCA against its debt repayment obligations in FY26. The average utilisation of the fund-based limits has been around 62% for the last 12 months ended May 2025. Further, the company had cash and bank balance (including lien marked FD) to the tunes of Rs. 3.38 crore as on March 31, 2025.

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 2012, SMJDB Estate Private Limited is an equated venture of the SM Group and JDB Group of Guwahati, Assam. SMJDB operates (since March 2017) a 118 bed 5-star hotel equipped with 2 restaurants and a bar/lounge, multiple banquets and meeting spaces, gym, spa, a swimming pool under the brand name of 'Novotel' located in Guwahati, Assam. The company has also opened a 16 key resort named Rhino and River in Q1FY26.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	34.38	38.57
PBILDT	10.70	14.61
PAT	0.61	5.09
Overall gearing (times)	4.73	3.53
Interest coverage (times)	1.55	2.13

A: Audited UA: Unaudited; 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-Cash Credit		-	-	-	5.00	CARE BB+; Stable
Fund-based - LT-Term Loan		-	-	September 2029	54.80	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	-	-	-	-	-	1)Withdrawn (18-Oct-22) 2)CARE BB-; Stable; ISSUER NOT COOPERATING* (18-Oct-22)
2	Fund-based - LT-Cash Credit	LT	-	-	-	-	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (18-Oct-22) 2)Withdrawn (18-Oct-22)
3	Fund-based - LT-Cash Credit	LT	5.00	CARE BB+; Stable	-	1)CARE BB+; Stable (18-Mar-25) 2)CARE BB+; Stable (12-Feb-25) 3)CARE BB+; Stable (05-Dec-24)	-	-
4	Fund-based - LT-Term Loan	LT	54.80	CARE BB+; Stable	-	1)CARE BB+; Stable (18-Mar-25) 2)CARE BB+; Stable (12-Feb-25)	-	-

						3)CARE BB+; Stable (05-Dec- 24)		
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*Issuer did not cooperate; based on best available information.

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-Cash Credit	Simple
2	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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