Maxim Infrastructure and Real Estate (Shillong) Private Limited

September 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	58.15 (Reduced from 65.64)	CARE BB+; Positive	Reaffirmed; Outlook revised from Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation in the rating assigned to the bank facilities of Maxim Infrastructure & Real Estate (Shillong) Private Limited (Maxim- Shillong) takes into account its short track record of operations, leveraged capital structure and moderate debt coverage indicators, geographic concentration risk, increasing competition from existing hotels in and around Shillong, high susceptibility to economic cycles and operations in highly competitive industry and regulatory risks.

The rating however derives strength from experience of promoters in other industries, agreement with Marriott hotels, ramp up in scale of operations amid improved occupancy and Average Room Rate (ARR) in FY25 and all regulatory approvals being in place. CARE takes note of receipt of capital subsidy of Rs.5 crore in current FY which has been utilized to prepay a portion of its term debt and withdrawal of unsecured loans of around Rs.9 crore in FY25.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in Total debt to PBILDT to less than 3.5x levels.

Negative factors

- Withdrawal of more than envisaged unsecured loans
- Inability of the company to maintain Total Debt/PBILDT below 6x
- Any corporate guarantee given by the company to its group entities leading to significant moderation in debt coverage ratios

Analytical approach: Standalone

Outlook: Positive

CARE Ratings Limited (CARE Ratings) has revised the outlook for MIRESPL from 'Stable' to 'Positive' in view of expected improvement in its financial performance supported by increasing occupancy levels and average room rate. The outlook shall be revised to 'Stable' in case the company is unable to sustain its envisaged revenues and profitability or avails any substantial debt thereby impacting the capital structure or leverage indicators.

Detailed description of key rating drivers:

Key weaknesses

Geographic concentration risk and increasing competition from existing hotels in and around Shillong: Over the last few years, Shillong has witnessed tremendous growth in hospitality industry with large number of renowned local as well as national level hospitability players entering in the city. Though there are only 2 five star hotels in Shillong– Courtyard by Marriott & Vivanta, the company will still be facing competition from other established players including 4 star hotels in the city. However, these can be mitigated to some extent by diversifying the service offerings into different market segments like leisure, business and wedding customers. Given the brand image of the hotel coupled with envisaged average room tariff and facilities, occupancy level is expected to improve as articulated by the management.

Leveraged capital structure and moderate debt coverage indicators: The entity's capital structure moderated and stood leveraged, as marked by overall gearing of 1.82x as on March 31, 2025 (1.68x as on March, 31, 2024) and total outside liabilities to net worth stood at 2.01x as on March, 31, 2025 (1.80x as on March, 31, 2024). Apart from the term debt repayment, the company has also paid unsecured loans amounting to Rs. 9.11 crore in FY25. The moderation in capital structure is mainly on account of loss incurred due to high depreciation figure (initial stages of operations with FY25 being second full year of operation).

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

Although the debt coverage indicators like PBILDT interest coverage and total debt to GCA improved to 2.32x and 6.96x in FY25 vis-à-vis 1.48x and 18.13x in FY24 due to improved occupancy and ARR, however the same continues to remain moderate.
The company has received capital subsidy of Rs.5 crore in current FY which has been utilized to prepay term debt of its two lenders i.e., NEDFI and Axis Bank. In case of NEDFI, the company has prepaid Rs.2.70 crore of its term debt obligation (i.e, up to Mar 2026) while in case of Axis bank, the company has prepaid term loan of Rs.2.30 crore which has been utilized to reduce its maturity date from June 2031 to October 2030.

High susceptibility to economic cycles and operations in highly competitive industry: The hospitality industry is highly fragmented with many local and international players operating across different hotel segments leading to high level of competition in the business. The performance of the hospitality sector is driven by macroeconomic factors like prospects of Indian tourism.

Regulatory risks: Hospitality industries are prone to varying degrees of uncertainty, both at the macro-level, which affects the economy as a whole and at the sector level. The projects are prone to local, state, national laws and regulations. Failure to comply with such rules and regulations often lead to delays.

Key strengths

Experience of promoters in other industries: The company has been promoted by Shri Rajat Kumar Deorah and Shri Ashish Jasrasaria. Mr. Deorah is involved in real estate, warehousing, food processing and lease rental businesses and Mr. Jasrasaria is involved in real estate, warehousing and liquor trade. MREPL is promoted by Rajat Kumar Deorah, Promoter, looks after overall management operations. Shri Ashish Jasrasaria oversees overall management operations.

Agreement with Marriott hotels: Marriott being a globally recognized hotel brand will help ensure higher customer trust, premium pricing, and strong occupancy rates. It provides access to Marriott's global marketing network, operational expertise, and loyalty programs, enhancing visibility, service standards, and profitability for the hotel. The agreement with Marriott hotels India Pvt Ltd has been signed and the agreement will remain valid till March 31, 2051.

Rampup in scale of operations amid improved occupancy and ARR albeit short track record of operations: The hotel commenced commercial operations in February 2023 and, therefore, has a limited operational track record. Income from operations improved from Rs.52.19 crore in FY24 to Rs. 63.11 crore in FY25 driven by higher average room rate and improved occupancy. The occupancy levels improved from 47% in FY24 to 61% in FY25 while the Average Room Rate (ARR) increased from Rs. 9,170 in FY24 to Rs. 9,261 in FY25. This has led to improvement in operating margin from 32.73% in FY24 to 36.68% in FY25. Higher depreciation charge of Rs.24.95 crore led to the company incurring loss of Rs.12.95 crore in FY25 (which reduced from RS.24.71 crore in FY24). However, the company achieved GCA of Rs.13.49 crore.
In 4MFY26, the company achieved TOI of Rs.23.90 crore with ARR of Rs.9,897 and occupancy of 66%. Occupancy levels moderated in May and June 2025 due to external factors, including the war like situation and disruptions in the tourism sector in Meghalaya following flooding in Assam and a murder incident in Shillong. However, occupancy levels have started to improve from July 2025.

Regulatory approvals in place: All the necessary licenses and permits are already in place. The company has received occupancy certificated from Meghalaya Urban Development Authority Shillong.

Liquidity: Adequate

Liquidity is adequate with the company generating gross cash accruals of Rs. 13.49 crores for FY25 vis-à-vis debt repayment obligation of Rs.3.10 crore and repayment of unsecured loan of Rs.9.11 crore in FY25. The current and quick ratios of the company stood moderate at 1.25x and 1.22x respectively. The company has been making a provision for fumiture, fixture & equipment which stood at Rs. 1.85 crores as on March 31, 2025. The company's free cash and bank balance stood at Rs. 3.16 crore as on March 31, 2025. In FY26, the company's debt repayment obligation stands at Rs.7.04 crore which has been partly repaid and rest will be met through cash accruals. The company has received capital subsidy of Rs.5 crore in current FY which has been utilized to prepay term debt of its two lenders i.e., NEDFI and Axis Bank. In case of NEDFI, the company has prepaid Rs.2.70 crore of its term debt obligation (i.e, up to Mar 2026) while in case of Axis bank, the company has prepaid term loan of Rs.2.30 crore which has been utilized to reduce its maturity date from June 2031 to October 2030. Average fund based utilization stood at around 50% as confirmed by the banker. The total outstanding term loan amount stood at Rs. 52.34 crores as on July 31, 2025.

Environment, social, and governance (ESG) risks: NA

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

Maxim Infrastructure & Real Estate (Shillong) Private Limited (MREPL/Maxim Shillong) was incorporated on December 3, 2019, by Shri Rajat Kumar Deorah and Shri Ashish Jasrasaria, just after the demerger of Maxim Infrastructure & Real Estate Private Limited (Maxim Guwahati) under the Resolution Plan approved by the NCLT in its Order dated October 25, 2019, passed under the Insolvency & Bankruptcy Code (IBC), 2016. The company has set up a 5- star luxury hotel with 182 rooms in Shillong at a cost of Rs.212.59 crore funded through term loan of Rs.63.00 crore and rest through equity. The company has entered into an agreement with Marriott on July 6, 2022. The company had started operation (trial run) on December 14, 2022 while the commercial operations have started from February 13, 2023

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (P)	4MFY26
Total operating income	52.19	63.11	23.90
PBILDT	17.08	23.15	-
PAT	-24.71	-12.95	-
Overall gearing (times)	1.68	1.82	-
Interest coverage (times)	1.48	2.32	-

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: NA
Any other information: NA
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		-	-	November 2032	55.45	CARE BB+; Positive
Fund-based - LT-Working Capital Limits		-	-	-	1.70	CARE BB+; Positive
Non-fund-based - LT-Bank Guarantee		-	-	-	1.00	CARE BB+; Positive

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	55.45	CARE BB+; Positive	-	1)CARE BB+; Stable (03-Dec-24)	1)CARE BB+; Stable (05-Jan-24)	1)CARE BB+; Stable (30-Jan-23) 2)CARE BB; Stable (08-Jun-22)
2	Fund-based - LT-Working Capital Limits	LT	1.70	CARE BB+; Positive	-	1)CARE BB+; Stable (03-Dec-24)	1)CARE BB+; Stable (05-Jan-24)	1)CARE BB+; Stable (30-Jan-23) 2)CARE BB; Stable (08-Jun-22)
3	Non-fund-based - LT-Bank Guarantee	LT	1.00	CARE BB+; Positive	-	1)CARE BB+; Stable (03-Dec-24)	1)CARE BB+; Stable (05-Jan-24)	1)CARE BB+; Stable (30-Jan-23) 2)CARE BB; Stable (08-Jun-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: NA

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT-Working Capital Limits	Simple
3	Non-fund-based - LT-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge 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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