

## Satyaratan Hotels (Navin Jitani)

October 31, 2025

Facilities	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	50.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category

Details of facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Satyaratan Hotels to monitor the rating vide e-mail communications dated July 07, 2025, October 10, 2025, among others and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. Further, Satyaratan Hotels has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on Satyaratan Hotel's bank facilities will now be denoted as **CARE BB-; Stable; ISSUER NOT COOPERATING\***.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings have been revised on account of lack of clarity on future growth strategy and inability to monitor the performance of the entity, which is critical for assessing the credit risk profile of the firm. The ratings continue to remain constrained by its partnership nature of constitution exposing the entity to inherent risk of capital withdrawal, intense competition, cyclical nature of hospital industry and seasonality associated with hotel industry. The rating also takes into account its initial year of operations of the hotel leading to moderate occupancy level and leveraged capital structure in FY24 (refers to the period April 1 to March 31).

The aforesaid constraints are partially offset by its experienced promoters having past track record of running of hotel, the completion and commencement of Phase 1 of the hotel in January 2024, tie-up with Mayfair group for operating the hotel and its locational advantage.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

At the time of last rating on August 12, 2024, the following were the rating strengths and weaknesses (updated for the information available from the firm).

#### Key weaknesses

##### Partnership nature of constitution exposing to inherent risk of withdrawal of capital

Satyaratan Hotels, being a partnership firm, is exposed to the inherent risk of the partner's capital being withdrawn at the time of personal contingencies and the firm being dissolved upon the death/retirement/insolvency of the partners. Moreover, partnership firms have restricted access to external borrowing as credit worthiness of partners would be a key factor affecting the credit decision for the lenders.

##### Intense competition and inherent cyclicity of the hospitality industry with dependence on tourist arrivals

The hospitality industry is highly sensitive to the untoward events such as slowdown in the economy. The hospitality industry is cyclical in nature. i.e., during positive cycles the industry witnesses periods of sustained growth and sees healthy average room rates (ARRs) and occupancy rates (ORs). When recession sets in, the ORs begin to decline followed by the ARR. In the recovery phase, ORs starts to move up and eventually the ARR also start to increase. While the macro-economic factors affect the business destinations, the leisure destinations show a greater sensitivity to non-economic factors such as terror attacks, health related

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

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travel warning, etc. Cyclical nature of the hotel industry and increasing competition from already established hotels has impacted performances of industry players.

#### **Seasonality associated with the hotel industry**

The demand for hotel and hospitality sector has a direct relation to the overall health of economy. The Indian hotel industry normally experiences high demand during March to June months, mainly on account of summer vacations and from October to November mainly on account of festive vacations all over India. However, this trend is seeing a change over the recent few years. Hotels have introduced various offerings to improve occupancy during the lean months. These include targeting the conferencing segment and offering lucrative packages during the lean period.

#### **Initial year of operations of the hotel leading to moderate occupancy level**

The hotel has commenced its operation on January 10, 2024, and after 1st three months of operation in FY24, the firm generated a TOI of Rs.6.97 crore with a PBILDT margin of 22.02% on occupancy rate of around 63%. In FY25, the occupancy level stood at 37% with ARR of Rs.7,829. The occupancy rate is moderate on account of initial years of operation.

#### **Leveraged capital structure with high overall gearing**

The firm has funded the project by way of availing two term loans of Rs.20 crore and Rs.30 crore. Till March 31, 2024, the firm has drawn term loan to the extent of Rs.32.86 crore and the partners have infused unsecured loan of Rs.44.12. As a result, the capital structure remained leverage marked by overall gearing ratio of 3.30x as on March 31, 2024.

#### **Key strengths**

##### **Completion and commencement of Phase 1 of the hotel since January 2024**

Satyaratan Hotels is setting up a 5-star hotel on approximately 23 bigha plot in Sonapur, Assam. The hotel implementation is structured in a two-stage process. The first stage has already been completed by January 10, 2024, upon which the hotel has commenced its commercial operation while the 2nd phase is currently under progress. The 2nd phase is expected to be completed and operational by March 31, 2025.

##### **Tie-up with Mayfair Group**

The firm had entered into an agreement on October 13, 2022, with Mayfair Elixir Private Limited which will allow them to operate the hotel under their brand name and accordingly the hotel has been named as Mayfair Spring Valley Resort. Satyaratan Hotels will pay 7.5% of its net revenue as royalty.

##### **Locational advantage**

The hotel is located in Sonapur, which is surrounded by verdant hills, approximately 25 kilometers from the main town of Guwahati. The lush greenery of the hill and its proximity to reserve forests makes it an appealing destination for tourists.

##### **Experienced promoters having past track record of operating a hotel**

The promoters of Satyaratan belonging to the Satyam Group has been running an existing resort at Sonapur. The day-to-day operation of the hotel is being managed by the partners Mr Ratan Sharma, having experience of over 30 years and Mr. Harsh Sharma, having experience of around 15 years in various industry. Besides hospitality, they both have experience in manufacturing iron and steel and ferro-silicon businesses as well.

##### **Liquidity: Stretched**

The liquidity position of the firm is marked stretched due to its nascent stages of operations as it has commenced its operation from January 10, 2024, following the completion of the first phase. Presently, the construction of second phase is underway and is expected to be completed by March 2025.

The firm had free cash and bank balance of Rs.1.42 crore as on March 31, 2024. In FY25, the firm has debt repayment obligation of Rs.1.80 crore against which it is expected to generate sufficient cash accruals. However, in case there is any shortfall, the promoters would bring in need-based funds.

## Applicable criteria

- [Definition of Default](#)
- [Liquidity Analysis of Non-financial sector entities](#)
- [Information Adequacy Risk and Issuer Non-Cooperation](#)
- [Rating Outlook and Rating Watch](#)
- [Hotels & Resorts](#)
- [Financial Ratios – Non financial Sector](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Services	Leisure Services	Hotels & Resorts

Satyaratan Hotels, established as a partnership firm in 2021, has been in the process of setting up a 5-star category hotel-cum resort at Sonapur, Guwahati, Assam (Approx 25 km away from Guwahati main town). The firm is a part of the Satyam Group, currently being managed by Mr. Ratan Kumar Sharma and Harsh Sharma. The partners had entered into an agreement on October 13, 2022 with Mayfair group in providing operational services to hotels under the brand name of Mayfair and has the necessary expertise to operate the hotel in accordance with the brand standard.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	0.00	6.97
PBILDT	0.00	1.53
PAT	0.01	-2.82
Overall gearing (times)	46.52	3.30
Interest coverage (times)	0.00	2.23

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

**Status of non-cooperation with previous CRA:** ICRA has conducted the review on the basis of best available information as the company did not provide requisite information needed to conduct the rating exercise and classified Satyaratan Hotels as "Issuer Not Co-operating" vide its press release dated October 25, 2024.

**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 facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	March 2034	50.00	CARE BB-; Stable; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

**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	50.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (12-Aug-24)	-	-

\*Issuer did not cooperate; based on best available information.

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

**Annexure-3: Detailed explanation of covenants of rated 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:** 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.

### Contact us

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