

Satyaratan Hotels

April 08, 2026

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	45.20 (Reduced from 50.00)	CARE BB+; Stable	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE BB-; Stable

Details of facilities in Annexure-1.

Rationale and key rating drivers

In the absence of minimum information required for the purpose of rating, CARE Ratings Limited (CareEdge Ratings) was unable to express an opinion on the rating of Satyaratan Hotels and in line with the extant SEBI guidelines, CareEdge Ratings revised the rating of the bank facilities of the firm from 'CARE BB; Stable' to 'CARE BB-; Stable; Issuer Not Cooperating'. However, the firm has now submitted the requisite information to CareEdge Ratings. Accordingly, CareEdge Ratings has carried out a full review of the rating and the rating has been revised to 'CARE BB+; Stable'.

The revision in the rating assigned to the bank facilities of Satyaratan Hotels takes into account the successful completion of phase 2 of the hotel with growing Average Room Rent (ARR) and RevPAR in 11MFY26 leading to growing scale of operations with healthy profitability margin. The ratings remained constrained by its leveraged capital structure and moderate debt protection metrics with further expansion plans in near future, partnership nature of constitution exposing the entity to inherent risk of capital withdrawal, intense competition and cyclical nature of hospital industry and seasonality associated with hotel industry. The above constraints are partially offset by its experienced promoters having past track record of running of hotel, tie-up with Mayfair group for operating the hotel and its locational advantage.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained increase in total operating income above Rs.100 crore while maintaining healthy PBILDT margin above 25% on a sustained basis.
- Improvement in capital structure with overall gearing going below 2.5x on a sustained basis.
- Successful implementation of phase 3 of the project and stabilisation of the hotel with sufficient occupancy rate (above 60%).

Negative factors

- Any significant decline in scale of operation or PBILDT margin due to low occupancy and ARR on a sustained basis.
- Deterioration in capital structure with overall gearing ratio going above 4.50x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects that the entity will sustain its moderate financial risk profile over the medium term.

Detailed description of key rating drivers:

Key weaknesses

Partnership nature of constitution with 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 cyclical nature 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

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

rates (ARRs) and occupancy rates (ORs). When recession sets in, the ORs begin to decline followed by the ARR. In the recovery phase, ORs start 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 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.

Leveraged capital structure and moderate debt protection metrics with expansion plans in near future

The hotel was constructed by the firm in two phases and was funded through partners contribution, unsecured loan availed from group entity and term debt. As on March 31, 2025, the firm had outstanding term debt of ₹47.95 crore and unsecured loans of ₹67.97 crore. As a result, the capital structure remained leveraged, marked by an overall gearing ratio of 3.24x as on March 31, 2025. The leveraged capital structure is attributable to the initial year of operations with hotel construction majorly funded by unsecured loans and term loan.

The debt coverage indicators though improved compared to FY24 remained moderate marked by total debt to GCA (TD/GCA) of 11.27x as on March 31, 2025 (87.27x as on March 31, 2024). PBILDT interest coverage however, remained comfortable at 6.05x in FY25 (2.23x in FY24).

Further, promoters are planning for phase 3, under which around 30 additional rooms will be added, along with construction of a helipad and purchase of a helicopter to offer sightseeing services to guests. The total project cost for Phase 3 is estimated at ₹80-90 crore, against which the firm plans to avail debt of about ₹15-20 crore, while the balance will be funded through internal accruals and promoter contribution. Approval for purchase of the helicopter and flying rights of helicopter services for guests is currently under process. Construction for Phase 3 is expected to commence by end-May 2026 and is likely to be completed over the next 15-18 months.

Key strengths

Growing scale of operation with health profitability margin

Satyaratan Hotels has completed the construction of a hotel-cum-luxury resort in Sonapur, Assam, at a total project cost of approximately ₹150-160 crore. The project has been funded through a term loan of around ₹50 crore, with the balance financed by promoter contributions in the form of partner's capital and unsecured loans.

During FY25, the firm reported operating revenue of ₹44.66 crore with an operating margin of 27.29%, compared to revenue of ₹6.97 crore and an operating margin of 22.02% in FY24. The hotel commenced operation of phase 1 on January 10, 2024, and hence the hotel was operational for only three months during FY24. Phase 2 was completely operational from November 2025. Further, the firm has already achieved revenue of ₹62.27 crore with an operating margin of 26.19% during 11MFY26. The growth in revenue has been primarily driven by improvement in ARR and RevPAR, supported by an increase in the number of operational rooms, reflecting gradual stabilisation of hotel operations.

Tie-up with Mayfair group

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

Locational advantage

The hotel is located in Sonapur, which is surrounded by verdant hills, approximately 25 kilometres 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 businesses like iron and steel and ferro-silicon.

Liquidity: Adequate

Liquidity position of the firm is marked adequate with the firm earning adequate GCA of ₹9.88 crore as against debt repayment obligation of ₹1.80 crore in FY25. Further during FY26, the firm has a debt repayment obligation of ₹3.00 crore against which it is expected to generate sufficient cash accruals. In addition, the firm had free cash and bank balance of ₹5.65 crore as on March 31, 2025, which provides additional liquidity comfort.

Applicable criteria

[Definition of Default](#)

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

[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 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, 2024 (A)	March 31, 2025 (A)	11MFY26 (UA)
Total operating income	6.97	44.66	62.27
PBILDT*	1.53	12.19	16.31
Profit after tax (PAT)	-2.82	2.78	NA
Overall gearing (x)	3.30	3.24	NA
Interest coverage (x)	2.23	6.05	3.70

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: ICRA has continued the rating assigned to the bank facilities of Satyaratan Hotels under ISSUER NOT COOPERATING category vide press release dated December 26, 2025, on account of its inability to carry out a review in the absence of requisite information from the firm.

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 (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	March 2034	45.20	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	45.20	CARE BB+; Stable	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (31-Oct-25)	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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