



Press Release
RKD HOTELS PRIVATE LIMITED (ERSTWHILE HOTEL SUKHAMAYA PRIVATE LIMITED)
October 15, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	42.20	ACUITE A- Stable Reaffirmed	-
Bank Loan Ratings	0.20	-	ACUITE A2+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	42.40	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE A-**' (read as **ACUITE A minus**) and the short-term rating of '**ACUITE A2+**' (read as **ACUITE A two plus**) on the Rs. 42.40 Cr. bank facilities RKD Hotels Private Limited (RKDHPL; Erstwhile Hotel Sukhamaya Private Limited). The outlook is '**Stable**'.

Rationale for rating

The rating reaffirmation takes into account strong parentage support of RKD Construction Private Limited (ACUITE A/Positive/A1) to RKDHPL. Further, the rating also factors the growth in revenue backed by revival of operations post the renovation, coupled with improvement in occupancy & tariff rates. Moreover, rating draws comfort from the strategic tie-up with IHCL for 25 years starting 2023, locational advantage of the hotel and adequate liquidity position. However, the rating is constrained by moderate financial risk profile and presence in highly competitive industry.

About the Company

RKD Hotels Private Limited (RKDHPL) was incorporated in 1981 by RKD Construction Private Limited (RKDCPL) who holds 93.91% shareholding, balance held by the promoter family. The company operates a hotel named 'The Crown' in Bhubaneswar, Orissa with a total capacity of 81 rooms. The company is currently headed by Mr. Rohan Das.

Unsupported Rating

ACUITE BB+/Stable

Analytical Approach

Acuite has considered standalone business and financial risk profile of RKDHPL. Further, parent notch-up of RKD Construction Private Limited has been considered to arrive at the rating. The parent notch-up is based on majority shareholding, financial support and corporate guarantee extended by RKD Construction Private Limited to RKDHPL.

Key Rating Drivers

Strengths

Strong parentage and support

RKDHPL is a subsidiary concern of RKD Construction Private Limited (RKDCPL). RKDCPL is a reputed EPC player in Orisa and has almost four decades of experience in construction of

roads and highways. In addition to this, RKDCPL has provided corporate guarantee to RKDHPL and has extended unsecured loans (Rs.17.00 Cr. outstanding as on 31st March, 2025) to meet the working capital requirements. Further, RKDCPL had made equity infusion in the company to the extent of Rs.13.00 Cr. in FY24.

Operational tie-up with reputed brand

During FY22, the company signed a formal agreement with IHCL for 25 years for branding, operating and marketing of the hotel under the brand 'SeleQtions'. IHCL is a well-established franchise of the Taj Group which has presence in India as well as internationally.

Improvement in scale of operations

The revenue of RKDHPL increased to Rs.33.81 Cr. in FY25(Prov.) from Rs.21.53 Cr. in FY24. The growth in revenue is on account of improved occupancy levels coupled with increase in average tariff by nearly 30-40% for low and peak season both. Furthermore, the hotel also records revenue from the service of food and beverages through in-room dining, cafes and restaurants which accounted for ~57% of the revenue during FY25(Prov.) (~54% in FY24). Subsequently, the operating and profitability margins of the company improved to 29.57% and 4.38% in FY25(Prov.) from 24.59% and -5.48% in FY24 respectively. Going ahead, RKDHPL's scale of operations is expected to sustain with continued benefits from the tie-up with IHCL through online reservation systems and marketing strategies.

Weaknesses

Moderate financial risk profile

The financial risk profile of the company is moderate marked by moderate net-worth, moderate debt profile and improving debt protection metrics. The net-worth of the company improved marginally to Rs.45.50 Cr. in FY25(Prov.) (includes unsecured loans treated as quasi equity of Rs. 170.00 Cr.) as against Rs.43.63 Cr. in FY24. Further, while the debt protection metrics remain comfortable with interest coverage ratio (ICR) of 2.42 times as on 31st March, 2025(Prov.) (1.56 times as on 31st March, 2024) and debt service coverage ratio (DSCR) of 1.46 times as on 31st March, 2025(Prov.) (1.14 times as on 31st March, 2024), however, the Debt/EBITDA stood high at 3.48 times in FY25(Prov.).

Susceptibility to cyclicity in the hospitality industry and increasing competition

RKDHPL like any other hospitality player is exposed to inherent cyclicity owing to domestic and international economies, seasonality risk and competition from the established players. During slack seasons, revenue per available room for premium and mid-segment hotels get more acutely affected than economy hotels. On the other hand, cost of operating premium properties is high, even during downward shifts in demand; cash flow from these properties are, therefore, more vulnerable to economic downturns.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

RKD Hotels Private Limited (RKDHPL) receives parentage as well as financial support from RKD Construction Private Limited (RKDCPL).

Stress Case Scenario

Acuité believes that, owing to the strong parentage support and financial linkages with RKDCPL, RKDHPL is expected to service its debt obligations on time, even in stress scenarios.

Rating Sensitivities

- Ability to sustain the scale of operation with improvement in profitability margins.
- Significant reduction in occupancy levels leading to deterioration in business operations.
- Any major debt funded capex affecting the financial risk profile.

Liquidity Position

Adequate

The liquidity is adequate marked by generation of sufficient cash accruals of Rs.5.42 Cr. in FY25(Prov.) against maturing debt repayment obligation of Rs.2.40 Cr. during the same period.

The cash and bank balances of the company stood at Rs. 1.33 Cr. as on March 31, 2025(Prov.). The current ratio stood moderate at 1.14 times as on March 31, 2025(Prov.). The fund-based & non fund-based limit utilization stood low at ~3.40% & 20% respectively for last six months ended July 2025.

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	33.81	21.53
PAT	Rs. Cr.	1.48	(1.18)
PAT Margin	(%)	4.38	(5.48)
Total Debt/Tangible Net Worth	Times	0.77	0.87
PBDIT/Interest	Times	2.42	1.56

Status of non-cooperation with previous CRA (if applicable)

Not Applicable.

Any other information

None.

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
18 Jul 2024	Term Loan	Long Term	40.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE A- Stable (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	0.40	ACUITE A2+ (Reaffirmed)
20 Apr 2023	Term Loan	Long Term	35.47	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	4.53	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE A- Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	1.00	ACUITE A- Stable (Assigned)
	Bank Guarantee (BLR)	Short Term	0.40	ACUITE A2+ (Reaffirmed)
07 Apr 2023	Cash Credit	Long Term	1.00	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	4.53	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	35.47	ACUITE A- Stable (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	0.40	ACUITE A2+ (Assigned)
14 Jan 2022	Proposed Long Term Loan	Long Term	35.47	ACUITE A- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.20	Simple	ACUITE A2+ Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A- Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.20	Simple	ACUITE A- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	10 May 2022	Not avl. / Not appl.	05 May 2031	32.00	Simple	ACUITE A- Stable Reaffirmed

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No	Company Name
1	RKD Hotels Private Limited (Erstwhile Hotel Sukhamaya Private Limited)
2	RKD Construction Private Limited

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About Acuité Ratings & Research

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