



Press Release
NU STORES PRIVATE LIMITED
June 24, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	527.55	ACUITE BB Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	527.55	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long-term rating of '**ACUITE BB**' (read as **ACUITE double Bi**)n the long term bank facilities of Rs.527.55 Crore of NU Stores Private Limited (NSPL). The Outlook is '**Stable**'.

Rationale for Rating

The rating assigned reflects the established track record of experienced management for more than four decades and already running a 60 key luxury hotel cum banquet for more than decade under the name of 'The Umrao' in New Delhi. The company is currently setting up another ultra luxury hotel cum banquet adjacent to the existing hotel with the name of 'Grand Umrao'. The project will have 401 key rooms (standard & suites), 3 banquets and a commercial tower for leasing.

The total cost of the project is Rs. 753.64 Cr. which will be funded in 70:30 ratio as term loan and promoter's contribution in the ratio. The construction period will take 42 months, and the Scheduled Commercial Operations Date (SCOD) is October 2027. As of April 2025, since it is at a nascent stage, only 12% of physical completion has been done. The land on which hotel is to be new hotel is to be constructed is the freehold property under the promoter's name with the market value of Rs. 309 Cr.

However, the rating is constraint with the execution risk associated with the project since it is in the nascent stage.

About the Company

Delhi based; Nu Stores Private limited was incorporated in the year 1950. The company is primarily involved in the hospitality industry and currently setting up a luxury hotel and a commercial tower at NH-8 Samalka, New Delhi. Mrs. Sharda Yadav and Mr. Jagdish Yadav are the directors of the company.

Unsupported Rating

Not Applicable.

Analytical Approach

Acuite has considered the standalone business and financial risk profile of NU Stores Private Limited.

Key Rating Drivers

Strengths

Experienced management

The promoters are well experienced in the hospitality industry with more than 40 years of overall experience and currently successfully running a 60-key room luxury resort hotel under the brand name of 'The Umrao'. The Z+ security compliant hotel running at the occupancy level of 80% and ARR (Average Room Rent) is Rs. 8,400 for FY 2024. The hotel has an banqueting capacity of 3000 guest and proposed hotel will have 3500 guest capacity. The existing hotel is famous for having lavish weddings for HNI's. hosted famous celebrities and corporate events for large corporates like (T-Series, Ashok Leyland, etc.). The promoters are well backed by having huge freehold land parcels under their in Delhi-NCR.

Since, the existing hotel and a proposed hotel share the common brand name as ‘Umrao’, this mitigates the demand risk to some extent. As the brand name has already been established in the market for more than a decade in Delhi-NCR region. Acuite believes the rich experience of the promoters will benefit the company to timely competition of the new project.

Low Funding Risk & Upfront Equity Infusion

There is low funding risk associated with the project as State Bank of India sanctioned the entire loan of Rs. 527.55 Cr. for construction of the hotel and commercial tower. There will be moratorium period of 1 year starting from SCOD and repayment will start after that in 126 monthly structured mechanism. The promoters are required to infuse upfront 50% of total promoter's contribution in form of equity share capital before the first disbursement of the loan. The promoters have already infused Rs. 68.57 Cr. as unsecured loans into the company till 10 th March 2025 as per CA certified document. Acuite believes that tying up of funds with upfront equity infusion will mitigate the risk to some extent from lender's perspective. In addition to that, the company is required to open escrow account wherein all the inflows & outflows will be done maintain DSRA for one quarter of debt obligation at the time of SCOD & two quarters within the 2 years of SCOD from the cash flow of the company till the end of repayment of loan.

Favourable Location

The proposed hotel is located in the prime location of New Delhi on National Highway-48. Indira Gandhi International Delhi Airport is within 4.7 km range and Aero city Metro Station is in 4.2 km range. The project has an significant advantage which provides direct access to both New Delhi and Gurugram. All the basic amenities such as schools, hospitals, post office, bank, commercial complexes and public transport are available in vicinity at distance of approximately 10-15 km from the project site.

Weaknesses**Execution risk**

The construction of the hotel is expected to be completed in October 2027. There is a risk of implementation of project in a time bound manner as any external factor such as weather, natural calamity or delay in procurement of equipment or delay in civil construction etc. or any other unforeseen circumstances can impact the completion timeline. Any delay in completion may result into cost and time overruns and hence remain a key rating sensitivity.

Rating Sensitivities

- Timely completion of project as per SCOD.

Liquidity Position**Adequate**

Currently, the project is in the very nascent stage, however financial closures include DSRA to be created at the time of SCOD with escrow mechanism as payments will route through the account. Acuite believes that liquidity position of the company is adequate with upfront equity infusion up to 50% from the promoter's contribution before disbursement of the term loan.

Outlook - Stable**Other Factors affecting Rating**

None.

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	0.00	1.40
PAT	Rs. Cr.	(0.04)	0.98
PAT Margin	(%)	0.00	70.03
Total Debt/Tangible Net Worth	Times	24.78	21.68
PBDIT/Interest	Times	(425.00)	14000.00

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

None.

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>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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 :

Not Applicable.

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.	Term Loan	29 Jun 2024	Not avl. / Not appl.	31 Dec 2039	527.55	Simple	ACUITE BB Stable Assigned

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About Acuité Ratings & Research

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