



**Press Release**  
**RMS HOTELS AND RESORTS INDIA PRIVATE LIMITED**  
**August 20, 2025**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	45.00	ACUITE BB+   Stable   Assigned	-
Total Outstanding Quantum (Rs. Cr)	45.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has assigned its long-term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) on Rs. 45.00 crore bank facilities of RMS Hotels And Resorts India Private Limited (RMS). The Outlook is '**Stable**'.

**Rating for Rationale**

The assigned ratings reflects the improving track record of operations and highly experienced management for more than two decades in hospitality industry. The company had tied up with Raddison Group in 2021 and currently running the hotel under the brand name of 'Radisson Hotel Bareilly Airport'. The rating also factors the improving scale of operations & profitability, moderate financial risk profile and adequate liquidity profile of the company.

Acuite notes that the company is currently setting up a banquet lawn to expand their capacity to 2000 pax (currently from 300 pax) for wedding & corporate events. The vacant land adjacent to hotel has been acquired by infusing unsecured loans, however, for redevelopment purposes the new term loans have been sanctioned of Rs. 34 Cr. The banquet will get operationalized by December 2025.

However, these strengths are partly offset by project execution risk on ongoing capital expenditure and timely competition will be key monitorable in near to medium term.

**About the Company**

Incorporated in 2019, RMS Hotels And Resorts India Private Limited is a Mumbai based company engaged in the business of hospitality. The company has signed the license agreement with Radisson Hotel group to run the hotel with RADISSON international star hotel brand. The company is currently managed by Mr. Mehtab Siddiqui & Mrs. Reshma Siddiqui Mehtab as the directors of the company.

**Unsupported Rating**

Not Applicable.

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of RMS Hotels And Resorts India Private Limited (RMS) to arrive at this rating.

**Key Rating Drivers**

**Strengths**

**Experienced Management**

The company is managed by Mr. Mehtab Siddiqui as a managing director, has an MBA in Finance and Hotel Management, 25 years of experience in Hospitality Sector working with international brands like Starwood, Hilton, Hyatt, Radisson Andheri Mumbai MIDC, etc. With his experience, the company benefits from service excellence, brand positioning, aligning with International Standards in the longer term.

**Locational Advantage**

The hotel is strategically located within 1 km from Bareilly Airport, offering convenience for travellers flying in and out of the city. The proximity to the airport, along with easy access to major transport routes, ensures

connectivity of the hotel to all the major areas nearby like Fun City, ISKCON Temple, Mahatma Jyotiba Phule Rohilkhand University, Bareilly College, etc. The hotel is the only five star property at Bareilly and caters to the client base looking for corporate events.

## Scale of Operations & Profitability

The company has recorded the revenue from operations of Rs. 28.28 cr. in FY 25 against Rs. 24.04 cr. in FY 24. The increase in revenue is mainly due to increase in Food & Beverage segment (banqueting income). The average occupancy rate is stood at 69.34% in FY25 slightly declined at 71.14% in FY24 due to decrease in footfall, as the previous year (23-24) saw more festive and auspicious days, which positively impacted room bookings. Further, the operating margins stood at 39.84% in FY25 against 40.16% in FY24. The PAT margins of the company improved and stood at 14.61% in FY25 against 12.78% in FY 24. Acuite believes going forward, the company is will be able increase scale of operations in medium term on the account of increasing banqueting capacity.

## Moderate Financial Risk Profile

The financial risk profile of the company is moderate marked by net worth, gearing ratio and debt protection metrices. The tangible net worth improved to Rs. 30.66 Cr. as 31st, March 2025 against Rs. 15.13 cr. in FY24. This mainly due to accretion of profits into reserves, treatment of unsecured loans from directors into quasi equity and infusion of funds of Rs. 1.50 Cr. as equity share capital. The capital structure of the company marked by gearing ratio of the company which improved and stood at 1.68 times in FY25 against 3.68 times as FY 24. TOL/TNW improved & stood at 1.83 times for FY 25 against 3.82 times for FY 24. ROCE of the company stood at 12.48 times for FY 25. Further, the Debt Protection metrices i.e. ISCR & DSCR stood at 2.54 & 1.22 times in FY 25 against 2.61 & 1.10 times in FY24 respectively. Acuite believes that the financial risk profile of the company is expected to moderate over medium term on the account ongoing capex plans of the company.

## Weaknesses

### Project Execution Risk

The company is currently setting up a banquet lawn to increase their existing capacity of 2000 pax from 300 pax. Since, the project is under development, there is always a project execution risk due to various internal and external factors than can impact the project. The land has been purchased through infusing funds from unsecured loans. For redevelopment of land to banquet lawn, the term loans have been sanctioned of Rs. 22 Cr. & Rs. 12 cr. each. and Acuite believes timely completion of the project will be key monitorable in near to medium term.

### Intense Competition in cyclicity in Hospitality Sector

India's hospitality sector is a vibrant and highly competitive arena, featuring a mix of established international brands and numerous independent hotels across the country. The hotel industry inherently experiences economic cycles, meaning its performance fluctuates with the broader economy. This cyclical nature, coupled with relatively low barriers to entry, makes it easy for new hotels to emerge, intensifying competition for existing businesses such as RMS. Despite these competitive pressures, the demand for hotel accommodations is projected to rise consistently in the coming years. This growth is driven by increasing business travel, a boom in tourism, and overall economic expansion. Fortunately, RMS is well-equipped to navigate these challenges due to its diversified revenue streams, which significantly mitigate its exposure to market volatility.

## Rating Sensitivities

- Timely completion of the ongoing capital expenditure
- Movement in scale of operations & profitability

## Liquidity Position

### Adequate

The Liquidity profile of the company is adequate marked by generating net cash accruals of Rs.5.82 Cr. in FY25 against debt repayment obligations of Rs. 3.98 cr. for the same period. The current ratio stood at 1.58 times for FY 25. The average fund-based utilization for las six months ending May 2025 is 84.34%. The company has free cash & bank position of Rs. 5.45 Cr. as on 31<sup>st</sup> March 2025. Acuite believes the liquidity profile of the company will remain adequate in near to medium term on the account of steady accruals against debt repayment, moderate bank limit utilisation, although slightly moderate due to debt funded capex plans.

## Outlook - Stable

## Other Factors affecting Rating

None.

## Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	28.28	24.04
PAT	Rs. Cr.	4.13	3.07
PAT Margin	(%)	14.61	12.78
Total Debt/Tangible Net Worth	Times	1.68	3.68
PBDIT/Interest	Times	2.54	2.61

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

CARE, vide its press release dated July 11th, 2025 had denoted the rating of RMS Hotels And Resorts India Private Limited as CARE D 'Reaffirmed and Issuer not co-operating'.

### 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](http://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
HDFC Bank Ltd	Not avl. / Not appl.	Dropline Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.00	Simple	ACUITE BB+   Stable   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.05	Simple	ACUITE BB+   Stable   Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	01 May 2024	Not avl. / Not appl.	01 Apr 2034	20.09	Simple	ACUITE BB+   Stable   Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	01 Apr 2025	Not avl. / Not appl.	01 Mar 2035	11.86	Simple	ACUITE BB+   Stable   Assigned

## Contacts

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### About Acuité Ratings & Research

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