

## Amaltas Resorts Private Limited

November 27, 2024

Facilities/Instruments@	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	59.50	CARE BB; Stable	Rating removed from ISSUER NOT COOPERATING category and reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

In the absence of receipt of surveillance fees and requisite information required for the purpose of ratings, CARE Ratings Ltd. (CARE Ratings) was unable to express an opinion on the rating of Amaltas Resorts Private Limited (ARPL) and in line with the extant SEBI guidelines, CARE Ratings had revised the ratings of bank facilities of the bank facilities of the company to 'CARE BB; Stable; ISSUER NOT COOPERATING'. However, the company has now paid the annual surveillance fees and submitted the requisite information to CARE Ratings. Hence, CARE Ratings has carried out a full review of the ratings and the ratings now stands at 'CARE BB; Stable'.

The rating assigned to the bank facilities of ARPL continue to remain constrained on account of its limited track record of operation albeit quick stabilization owing to tie-up with the Radisson Hotels (South Asia) Private limited (RHPL), presence in the competitive industry, vulnerability to macro-economic factors and seasonal uncertainty and stretched liquidity.

The rating, however, continue to derive strength from experienced promoters along with hotel's location advantage.

Rating assigned to the bank facility of one of the lender has been withdrawn based on the receipt of the No Dues Certificate.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors-

- Scaling up of operations with total operating income (TOI) above Rs.35 crores while sustaining healthy profitability
- Improvement in the liquidity position with lower reliance on external debt.

#### Negative factors

- Any significant decline in scale of operations or decline in profit before interest, lease, depreciation and tax (PBILDT) margin below 25% on a sustained basis.
- Withdrawal of support from promoters/ promoters' group

### Analytical approach: Standalone

#### Outlook: Stable

Stable outlook reflects CARE Ratings opinion on favourable industry outlook and expected growth in scale of operations of the entity over the near to medium term backed by experienced management and its tie-up with RHPL.

### Detailed description of the key rating drivers:

#### Key weaknesses

##### Limited track record of operation albeit quick stabilization owing to tie-up with Radisson brand

ARPL had acquired constructed hotel property with cost of Rs.90.10 crore and commenced operations from June 2022 for Block 1 (51 rooms) while operations for the block 2 (44 rooms) commenced from December 2022. Despite its limited track record, its operations stabilized quickly owing to tie-up with reputed brand RHPL. It operates the resort by the name of "Radisson Resort Goa Baga".

TOI grew from Rs.9.19 crore in FY23 to Rs.22.07 crore during FY24 largely on account of full year operations of the entire resort and improvement in the occupancy rate from ~61% to ~71%. Average room revenue (ARR) grew by ~12% y-o-y to Rs.7,195 in FY24.

PBILDT margin improved by 500 basis to 40.16% in FY24 due to economies of scale. However, with the higher depreciation and interest and finance costs, ARPL reported a net loss of Rs.5.46 crore in FY24 (FY23: net loss of Rs.4.38 crore). However, cash loss reduced from Rs.1.28 crore in FY23 to Rs.0.47 crore in FY24.

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

### Highly competitive industry

ARPL faces competition risk from various high rated hotels and resorts with long track record of operations at Goa. The company's operations will be affected by competition in the industry, government policies and regulations. These risks can impact on the occupancy rate and room revenue, impacting on the company's profitability.

### Vulnerability to macro-economic factors and seasonal uncertainty

The company is exposed to the changes in the macro-economic factors, industrial growth, and tourist arrival growth in India, international and domestic demand supply scenarios and other socio-economic factors which leads to inherent cyclical in the hospitality industry.

### Key Rating Strength

#### Experienced promoters

ARPL is promoted by Mr. Suresh Bhaduria, Mr. Mayankraj Bhaduria and Mr. Sanjeet Sengar. Key promoter, Mr. Suresh Bhaduria holds over three decades of experience in various industries through his association ranging from medical institutes, hotels & resorts, education institutes, aviation services and mining among others. ARPL has appointed Vipul Mohan as general manager, who possesses experience of over two decades in the hospitality industry through his association with the various reputed hotel chains. He is looking after the overall operations of the hotel.

#### Location Advantage

ARPL possesses location advantage being its hotel is situated at Baga beach, Goa. Baga is a coastal town in the western Indian state of Goa on the shores of the Arabian Sea. It is known for long, sandy beach, popular spot for water sports, beach market stalls selling handicrafts and textiles, lined with restaurants and bars. Baga beach being the most chosen travel spot of Goa, ARPL enjoys the location advantage of hotel.

#### Liquidity: Stretched

ARPL has stretched liquidity characterised by low accruals against repayment obligations, low cash and bank balance and almost full utilisation of the working capital limits (overdraft facility). Of the total debt repayment obligation of Rs.2.60 crore during FY25, ARPL paid Rs.2.11 crore (including prepayment of Rs.1.01 crores) till November 12, 2024.

The overdraft facility of Rs.27.65 crore availed is fully backed by fixed deposits from Mayank Welfare Society (MWS), which is a trust and runs medical college under "Malwanchal University". Mr. Suresh Bhaduria is chairperson at MWS. ARPL had free cash and bank balance of Rs.1.18 crore as on March 31, 2024.

### Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Hotels & Resorts](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Service Sector Companies](#)

### About the company and industry

#### Industry classification

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

ARPL was incorporated in June 2022 by Mr. Suresh Bhaduria, Mr. Mayankraj Bhadoria and Mr. Sanjeet Sengar. Mr. Mayankraj Bhadoria is the son of Mr. Suresh Bhaduria and currently manages the operations of Amaltas Hotels Private Limited (AHPL). AHPL holds 99.85% in ARPL with the remaining stake between Mr. Suresh Bhaduria (0.09%) and Mr. Sanjeet Sengar (0.06%).

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (UA)	H1FY25 (UA)
Total operating income	9.19	22.07	11.00
PBILDT	3.23	8.86	N.A.
PAT	-4.38	-5.46	N.A.
Overall gearing (times)	55.57	N.M.	N.A.
Interest coverage (times)	0.71	0.85	N.A.

A: Audited UA: Unaudited; N.A.: Not Applicable; N.M.: Not Meaningful; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	31/01/2033	59.50	CARE BB; Stable

#### Annexure-2: Rating history of 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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	59.50	CARE BB; Stable	1)CARE BB; Stable; ISSUER NOT COOPERATING* (11-Nov-24)	1)CARE BB; Stable (14-Aug-23)	-	-

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

LT: Long term

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities:** Not Applicable

#### Annexure-4: Complexity level of various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

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### About us:

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### Disclaimer:

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