Alcon Resort Holdings Private Limited

October 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	34.64 (Reduced from 38.04)	CARE BBB+; Stable	Reaffirmed and removed from Rating Watch with Developing Implications; Stable outlook assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to bank facilities of Alcon Resort Holdings Private Limited (ARHPL) was placed on 'Rating Watch with Developing Implications (RWD)' considering an application filed with the National Company Law Tribunal (NCLT) for the proposed demerger of Radisson Blu Resort, Goa (one of the highest average room rates [ARR]-generating hotels of the company), to its group company, Alcon Real Estate Private Limited (AREPL). This demerger scheme has now been implemented, and the demerger has become effective with appointed date of April 01, 2022. Taking cognisance of this, CARE Ratings Limited (CareEdge Ratings) has removed the 'RWD' assigned earlier to bank facilities of ARHPL and has reaffirmed the rating with assignment of 'Stable' outlook.

The rating has been reaffirmed factoring in strength from ARHPL's experienced promoters with established track record of operations, and favourable location of its properties. The rating also derives comfort from ARHPL's healthy operating metrics and profitability, comfortable solvency position and strong liquidity position.

However, these strengths are constrained by geographical concentration risk and the company's exposure to the cyclical and seasonal hotel industry, and intense competition in the sector.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the scale of operations above ₹150 crore while maintaining healthy profitability.
- Improving occupancy levels above 75% on a sustained basis.

Negative factors

- Decline in total operating income (TOI) below ₹90 crore on a sustained basis.
- Exposure to additional debt resulting in weakened capital structure with overall gearing above 1x on a sustained basis.
- Decline in revenue per available room (RevPAR), resulting in profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin going below 25% on a sustained basis, leading to an adverse impact on its debt coverage indicators.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectations that ARHPL will continue to benefit from its association with reputed brands and will sustain its financial risk profile in the medium term.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and established track record of operations

ARHPL is a part of the Goa-based Alcon Victor Group, which was founded in 1971 by late Victor Albuquerque. Currently, the group is led by his wife, Sylvia Albuquerque. She is assisted by her sons, Vinay Albuquerque and Varun Albuquerque, both having over two decades of experience in the industry. The promoters are supported by qualified and experienced professionals.

Over the years, the group has established its presence in hospitality and healthcare sectors. In hospitality, the group owns and operates seven hotels and resorts including four under ARHPL and three under AREPL. In healthcare, it operates a city hospital through Victor Hospitals & Medical Services Private Limited.

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

Favourable location of properties
ARHPL operates three resorts and hotels in Goa and one hotel in Pune. Goa continues to be one of India's most popular tourist destinations, and the company's properties are strategically positioned to benefit from this demand. The Pune property is in Hinjewadi, the city's primary IT hub, ensuring a steady demand.

ARHPL benefits from long-term association with reputed brands such as Novotel, Radisson and Mercure. All the hotels and resorts are well-equipped with modern amenities such as business centres, club lounges, restaurants and bars, conference halls, and swimming pools, catering to the needs of both leisure and business travellers.

Healthy operating metrics and profitability
Demerger of Radisson Blu, Goa, to its group company, AREPL, has been approved by NCLT with an appointed date of April 01, 2022. ARHPL currently operates four resorts and hotels.

ARHPL's operating metrics remained healthy in FY25 (refers to April 01 to March 31) with an ARR of ~₹7900 (PY: ~₹8000). Overall occupancy levels improved to ~64% in FY25 (PY: 61%), resulting in ~13% increase in room revenue. In FY25, TOI grew by ~14% to ₹131.42 crore (PY: ₹114.87 crore) primarily driven by higher occupancy levels and higher food and beverages revenue, however continued to remain moderate. In 5MFY26 (refers to April 01 to August 31), ARHPL reported a TOI of ₹46.90 crore. Growth is expected to be supported by factors such as festive and wedding seasons and increased meetings, incentives, conferences and exhibitions (MICE) activity in the medium term.

ARHPL maintained healthy profitability for last three years ended FY25. In FY25, PBILDT and profit after tax (PAT) margin remained stable at 34.76% and 21.94%, respectively (PY: 34.95% and 22.60%, respectively).

Comfortable capital structure and debt coverage indicators
As on March 31, 2025, ARHPL's capital structure improved and continued to remain comfortable with an overall gearing of 0.23x (PY: 0.35x) owing to scheduled repayment of term loan and accretion of profit to reserves. In the absence of debt funded capex, the capital structure is expected to improve and remain comfortable over the medium term.

With low debt levels against relatively comfortable accruals, debt coverage indicators continued to remain comfortable with total debt to gross cash accruals (TD/GCA) and interest coverage ratio of 1.09x and 11.75x, respectively, in FY25 (PY: 1.57x and 14.09x, respectively).

Key weaknesses

Geographical concentration risk
Three of ARHPL's four resorts and hotels are in Goa, which exposes the company to geographical concentration risk, as its performance is closely tied to economic and tourism trends in that region. However, this risk is partially mitigated by the operations of Radisson Blu in Pune, which provides diversification to some extent.

Macroeconomic factors and seasonal uncertainty
The hotel industry is sensitive to economic cycles, with demand for hospitality services fluctuating based on macroeconomic conditions. In economic downturns or reduced discretionary spending, occupancy rates and ARR can decline significantly. The sector is highly competitive, with presence of both domestic and international players, which puts pressure on pricing and profitability. This intense competition can lead to increased marketing costs and the need for constant innovation to attract and retain customers, further straining profit margins. Factors such as foreign tourist arrivals (FTAs) and the rising trend of MICE play crucial roles. The sector faces significant seasonal uncertainty, as demand can fluctuate dramatically based on holidays, local events, and weather conditions. While the company has leveraged the strong brand name and reputation of its hotels to maintain stable occupancy rates, it remains highly susceptible to macroeconomic factors.

Liquidity: Strong
ARHPL's liquidity position remains strong, characterised by sufficient cushion in accruals of ~₹35-40 crore against annual repayment obligations of ~₹5-6 crore over FY26-FY28. The company also has a free cash and bank balance of ~₹55 crore and has maintained a debt service reserve account (DSRA) of ₹4.70 crore as on June 30, 2025. Cash flow from operations stood at ~₹36 crore in FY25.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Hotels & Resorts
Financial Ratios – Non financial Sector
Service Sector Companies

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer services	Leisure services	Hotels & resorts

Incorporated in 1988, ARHPL is a part of the Goa-based Alcon Victor Group. Over the years, the group has established its presence in hospitality and healthcare sectors. ARHPL owns and operates three hotels/resorts in Goa (Novotel Dona Sylvia Resort, Mercure Goa Devaaya Resort and VIVA Hotel) and one in Pune (Radisson Blu), with a combined inventory of 424 operational keys.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Prov.)	5MFY26 (Prov.)
Total operating income	114.87	131.42	46.90
PBILDT	40.15	45.68	NA
PAT	25.96	28.83	NA
Overall gearing (times)	0.35	0.23	NA
Interest coverage (times)	14.09	11.75	NA

A: Audited; Prov.: Provisional; NA: Not Available; Note: 'the above results are latest financial results available
Note: The demerger of Radisson Blu, Goa has been approved by NCLT with an appointed date of April 01, 2022, and accordingly, the FY24 financials have been restated.

Status of non-cooperation with previous CRA: Not applicable

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 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		-	-	31-08-2032	34.64	CARE BBB+; 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	34.64	CARE BBB+; Stable	-	1)CARE BBB+ (RWD) (27-Aug-24)	1)CARE BBB+ (RWD) (13-Jul-23)	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/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.

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