



Press Release
HILL CREST HOTELS AND RESORTS PRIVATE LIMITED
September 16, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	94.00	ACUITE BBB Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	94.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long-term rating of ‘**ACUITÉ BBB**’ (read as **ACUITE triple Bo**)n the Rs. 94.00 Cr. bank facilities of Hill Crest Hotels and Resorts Private Limited (Hill Crest). The outlook is ‘**Stable**’.

Rationale for Rating

The rating assigned derives strength from experienced and qualified promoters and management team, prime location of the property and association with the reputed brand “Radisson”, leading to sustained operational performance. The rating also factors in the increase in average room rent and occupancy rate reflected in the improved operating performance albeit modest scale of operations and adequate liquidity position of the company. However, the rating is constrained with single property concentration risk, moderately intensive working capital operations, moderate financial risk profile along with upcoming debt funded capital expenditure exhibiting funding, execution and demand risk and presence in a highly competitive and fragmented industry.

About the Company

Hill Crest Hotels and Resorts Private Limited (Hill Crest), incorporated in 2011, is a hospitality company operating a premium resort and villa property located in Karjat, Maharashtra. The property features a total of 228 keys, comprising 26 two-bedroom villas, 10 three/four bedroom villas, 26 row houses, 22 tent houses, and 144 rooms. The resort is well-equipped with a range of amenities, including two restaurants, two swimming pools, a children’s play area, a fun park, and a game zone, offering a comprehensive leisure experience. Hill Crest is also undergoing a capex to set up a hotel near Navi Mumbai International Airport. The company is led by its directors: Mr. Rinku Chakraborty, Mr. Debasish Debeshchandra Chakraborty, and Mr. Suhasish Chakraborty.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Hill Crest Hotels and Resorts Private Limited (Hill Crest) while arriving at the rating.

Key Rating Drivers

Strengths

Established track record of operations along with experienced management

Hill Crest has a well-established presence in the hospitality industry, with a track record spanning over a decade. The company is headed by Mr. Debasish Chakraborty, the Managing Director, who brings nearly 30 years of overall experience, including more than a decade in the hospitality sector. He is ably supported by fellow directors Mr. Rinku Chakraborty and Mr. Suhasish Chakraborty, both of whom also possess over a decade of experience in the same domain. Acuite believes that Hill Crest will sustain its existing business profile on the back of established track record of operations and experienced management.

Strategic Association with Radisson Driving Operational Stability

Hill Crest has entered into a 15-year franchise agreement with Radisson Hotels Group, effective until July 2032, for the use of its trademark, strategic guidance, and operational support. Radisson Hotels is a globally recognized brand in the luxury hospitality segment, with a robust portfolio of over 1,400 hotels across 140 countries,

operating under distinguished brands such as Radisson, Radisson Blu, Radisson Red, and Park Plaza, among others. The Radisson Hotel Group, formerly known as Radisson Hospitality, is majority-owned by Jin Jiang International

Holdings Co., Ltd., a state-owned enterprise under the Chinese government. This strategic partnership has enabled Hill Crest to leverage Radisson's global brand equity, marketing networks, and operational expertise, contributing to consistent revenue generation and profitability. The association is expected to continue supporting the company's stable and satisfactory operational performance in the years ahead.

Prime location Enhancing Visibility and Demand

The company's resort is in Karjat, Raigad district, a scenic destination near Mumbai and Pune, popular among trekkers and adventure seekers. Positioned close to the Ulhas Valley, with rivers and waterfalls, the property is well-connected to Karjat Railway Station and lies 39 km from the Mumbai-Pune Expressway. Its strategic location ensures steady demand across customer segments. While operating a single property increases concentration risk, this is partially offset by a diverse service mix catering to leisure, business, and wedding clientele.

Augmentation in operating performance albeit modest scale of operations

The company's scale of operations is gradually growing marked by revenue of Rs. 116.34 Cr. in FY25 (Prov.) as compared to Rs. 73.10 Cr. in FY24 and Rs. 65.93 Cr. in FY23. The growth is due to commencement of the new facilities from Q2FY25 onwards. This was also attributable due to increased occupancy level and RevPAR (Revenue Per Available Room) in FY25 against FY24. Revenue is expected to increase in future years considering expected higher occupancy, increase in average room rent and successful completion and commencement of new room inventories from September 2024. The company has achieved satisfactory occupancy level of 65.34 per cent in FY25 against 51.69 per cent in FY24. Revenue per available room (RevPAR) also improved to Rs.10,048 in FY25 against Rs.7270 in FY24. ARR stood at Rs. 15549.51 against Rs.13,844.63 in FY24.

The absolute EBITDA of the company increased significantly and stood at Rs.45.14 Cr. in FY25(Prov.) as against Rs.21.52 Cr. in FY24. Subsequently the EBITDA margin also increased and stood at 38.80 per cent in FY25(prov.) against 29.44 per cent in FY24. Further, the PAT margin has also increased and stood at 21.31 per cent in FY25(prov.) and 11.76 per cent in FY24. Additionally, the company is eligible to get subsidy for 10 years to the tune of ~Rs. 7.5 Cr. per year (SGST+ Electricity duty exemption) from MTDC (Maharashtra tourism development corporation) which will further support the profitability and accruals in near to medium term. Acuité believes that the sustained improvement in the overall scale of operations and profitability will remain as a key rating monitorable.

Weaknesses

Moderately intensive working capital operations

The company is having moderately intensive working capital operations albeit improving as evident from Gross Current Asset (GCA) of 186 days as on March 31, 2025, against 275 days as on March 31, 2024. The inventory days stood at 218 days for FY25(prov.) as compared against 304 days for FY24. The inventory consists of the villa's held for sale. The debtor days stood at 15 days for FY25 (prov.) against 07 days for FY24. Acuité believes that the operations of the company would continue to remain moderately intensive considering the nature of the business.

Moderate financial risk profile and risk associated with ongoing capex

Hill Crest's financial risk profile is moderate marked by moderate net worth, below average gearing and comfortable debt coverage indicators. The net worth of the company stood at Rs. 74.89 Cr. as on March 31, 2025(prov.), as against Rs. 50.10 Cr. as on March 31, 2024, due to accretion of profit to reserves. The gearing of the company stood high at 2.17 times as on March 31, 2025(Prov.), as against 3.36 times as on March 31, 2024. The company has a total debt of Rs. 162.41Cr. as on March 31, 2025(prov.), as against Rs. 168.41Cr. as on March 31, 2024. The total debt of Rs. 162.41Cr. consists of Rs. 107.84 Cr. of long-term debt, Rs.12.78 Cr. of short-term debt and Rs. 41.80 Cr. unsecured loans from promoters in FY25(Prov.). Furthermore, the debt protection matrices of the company improved with interest-coverage-ratio (ICR) and debt-service- coverage-ratio (DSCR) of 5.14 times and 4.35 times for FY25 as against 3.66 times and 3.34 times in FY24 respectively.

The company is currently undertaking the development of a 300-key hotel near Navi Mumbai International Airport, with the total project cost estimated at Rs. 326 Cr. The project is scheduled for completion by November 2028. Of the total cost, Rs. 225 Cr. will be financed through a term loan, while the remaining amount will be funded through a combination of internal accruals and unsecured loans from the promoters. As of March 31, 2025, the company has already incurred Rs. 25 Cr. towards the land parcel for the project, fully funded through internal accruals. The successful and timely execution of the project, along with its subsequent operational stabilization, will be critical. Any significant cost or time overruns could impact the company's financial profile, making the progress and completion of the project a key credit monitorable.

Exposure to a Competitive and Cyclical Industry Environment

The Indian hospitality industry is highly fragmented and competitive, with many organised and unorganised players operating across various regions. The sector is inherently cyclical and remains vulnerable to economic fluctuations and seasonal demand variations. The low entry barriers have led to increased competition from both established and upcoming hotels, which may pose challenges to Hill Crest's market positioning and operational

performance. However, the medium-term outlook for the industry remains positive, supported by anticipated growth in commercial activity, tourism, and rising disposable incomes. In this context, Hill Crest's association with the well-established Radisson brand is expected to enhance its visibility and credibility, enabling it to achieve the projected revenue and profitability levels while scaling up its operations.

Rating Sensitivities

- Sustain improvement in scale of operations and profitability margins
- Change in financial risk profile owing to higher-than-expected debt -funded capital expenditure
- Timely execution of capex plan without significant cost overrun

Liquidity Position

Adequate

The Liquidity of the company remained adequate with net cash accruals stood at Rs.34.90 Cr. as on March 31, 2025(Prov.) compared to Rs.16.27 Cr. as on March 31, 2024 as against no debt repayment obligations in the same period. The net cash accruals are expected at ~Rs.40 Cr. and ~Rs. 35.00 Cr. in FY26 and FY27 as against the debt obligations of ~Rs.21.10 Cr. in FY26 and Rs.21.29 Cr. in FY27. Unencumbered cash and bank balance stood at Rs.5.10 Cr. as on March 31, 2025(prov.), compared to Rs.1.78 Cr. as on March 31, 2024. It also has liquid investments in equity shares of Rs.13.36 Cr. as on March 31, 2025(prov.). The current ratio stood at 0.90 times in FY25 (prov.). Acuite believes that the company's liquidity position will remain adequate in the near to medium term, as evidenced by its sufficient net cash accruals against maturing debt obligations.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	116.34	73.10
PAT	Rs. Cr.	24.80	8.59
PAT Margin	(%)	21.31	11.76
Total Debt/Tangible Net Worth	Times	2.17	3.36
PBDIT/Interest	Times	5.14	3.66

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
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Sep 2028	13.68	Simple	ACUITE BBB Stable Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Feb 2031	22.82	Simple	ACUITE BBB Stable Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Mar 2028	14.99	Simple	ACUITE BBB Stable Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Aug 2031	33.42	Simple	ACUITE BBB Stable Assigned
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Mar 2030	9.09	Simple	ACUITE BBB Stable Assigned

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About Acuité Ratings & Research

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