

Genex Hotels Private Limited

October 06, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	64.76 (Reduced from 70.52)	CARE BBB+; Stable	Upgraded from CARE BBB; Stable
Long-term / Short-term bank facilities	3.75	CARE BBB+; Stable / CARE A2	Upgraded from CARE BBB; Stable / CARE A3+

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in the rating assigned to bank facilities of Genex Hotels Private Limited (GHPL) reflects the company's improved operational and financial performance characterised by a growing scale of operations, sustained healthy profitability, improved liquidity and debt coverage indicators in FY25 (FY refers April 01 to March 31).

Ratings continue to derive strength from its resourceful promoter group and experienced management team, favourable location and tie-up with reputed hotel operator under the brand "Taj Lakefront".

However, ratings continue to remain constrained considering moderate capital structure and debt coverage indicators, and vulnerability to macroeconomic factors and seasonal uncertainty.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the occupancy ratio (OR) and average room rent (ARR) resulting in total operating income (TOI) above ₹100 crore while maintaining profit before interest, lease rentals, depreciation and tax (PBILDT) margin beyond 30% on a sustained basis.
- Total debt to PBILDT below 2x on a sustained basis.

Negative factors

- Moderation in OR and/or ARR resulting decline in TOI below ₹50 crore and PBILDT margins below 25% on a sustained basis.
- Total debt to PBILDT beyond 4x on a sustained basis.
- Significant deterioration in liquidity cushion due to withdrawal of surplus funds for investments in group/ associate companies.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings) expectation that company is likely to maintain its healthy operating performance aided by improving occupancy and ARR and favourable outlook of the hospitality industry.

Detailed description of key rating drivers:

Key strengths

Growing scale of operation and healthy profitability

GHPL's TOI grew by 14% y-o-y from ₹62.24 crore in FY24 to ₹70.67 crore in FY25 backed by increase in ARR and food and beverages (F&B) revenue. ARR improved from ₹8,956 in FY24 to ₹9,187 in FY25 at occupancy rate of 57% (FY24: 57%). Proportion of F&B revenue increased from 41% of TOI in FY24 to 53% of TOI in FY25. Despite growing scale, GHPL operates at the modest scale in the overall hospitality industry.

The higher proportion of F&B supported the further improvement in operating profitability, which remained healthy, marked by PBILDT margin of 34.77% in FY25 (FY24: 33.11%). With moderation in interest and depreciation costs, profit after tax (PAT) margin of GHPL improved from 9.44% in FY24 to 15.20% in FY25. Consequently, GHPL reported gross cash accruals (GCA) of ₹17.41 crore in FY25 (FY24: ₹15.82 crore).

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

In Q1FY26 (which is considered to be an off-season), GHPL has achieved TOI of ₹15.24 crore with an occupancy rate of 56% and ARR of ₹9,074 (Q1FY25: TOI of ₹12.37 crore with an occupancy rate of 52% and ARR of ₹7,778). This is expected to further improve in H2FY26 (which is the peak season for the hotel industry), considering festivals and wedding season.

Operational synergies considering tie-up with reputed hotel operator under brand name 'Taj Lakefront'

GHPL entered franchisee agreement for 20 years, which can be extended by two terms of five years each with The Indian Hotels Company Limited (IHCL, rated CARE AA+; Stable/ CARE A1+) under brand name of 'Taj Lakefront'. IHCL is one of the most reputed hotel operators in Asia with presence in India, Sri Lanka, the UAE, Maldives, Africa, the USA, and the UK, among others in luxury segment. As per the agreement, IHCL will supervise, direct and control the hotel's operations from commencement of operations until the end of term.

Favourable location of the hotel with largest banquet in the city

Taj Lakefront is at a prime location in Bhopal overlooking the backwaters of the Bhadbhada Dam on one side and hill view on other side. The hotel has room inventory of 152 rooms (including nine suite rooms and a presidential suite room), two fine dining restaurants, a bar and a lounge for beverages and bakes. For events, the hotel has six venues for purposes including conferences, business meetings, intimate functions and grand celebrations. The hotel has the largest banquet hall in the city spread across area of 880 square metres with capacity of ~1500 guests.

Resourceful promoter group and experienced and professional management

GHPL is promoted by key promoters of Dilip Buildcon Limited (DBL) including Dilip Suryavanshi, Devendra Jain and their family. Promoters are resourceful having sizeable experience in infrastructure through the flagship company of group DBL. Dilip Suryavanshi is also assisted by his son, Karan Suryavanshi, who looks after strategic decisions. Robin Dutta, Director of GHPL, has over two decades of experience in running a resort at Bhopal. Day-to-day operations are managed by Kanika Hasrat, General Manager of IHCL, having rich experience of over three decades in this industry.

Key weaknesses

Moderate capital structure and debt coverage indicators

GHPL's capital structure improved, yet remained moderate, marked by overall gearing of 2.15x (PY: 3.15x) and total outside liability to total net worth (TOL/TNW) of 2.40x (PY: 3.55x) as on March 31, 2025. Improvement was considering accretion of profits to reserves and scheduled repayment of the term debt.

Promoter has infused ₹53.36 crore in terms of redeemable preference shares (RPS), of which ₹30 crore is considered as part of the tangible net worth due to sub-ordination clause with the lender while balance amount is considered as debt.

Since RPS are issued to the promoter, considering entire amount as part of the equity, adjusted overall gearing remained moderate at 1.02x as on March 31, 2025.

Debt coverage indicators also improved marked by PBILDT interest coverage ratio of 3.60x (FY24: 2.79x) and total debt to PBILDT of 3.67x (FY24: 4.74x) in FY25.

Vulnerability to macroeconomic factors and seasonal uncertainty

The company is exposed to changes in macroeconomic factors, industrial growth, and tourist arrival growth in India, international and domestic demand supply scenarios, competition in the industry, government policies and regulations and other socio-economic factors, which leads to inherent cyclicity in the hospitality industry. These risks can impact the company's occupancy rate and hence, its profitability. The industry is highly competitive with presence of many organised and unorganised players in the market and online aggregators. In Bhopal, there are over 350 hotels including budget and luxurious hotels with capacity of over 10,000 rooms. Majority are budget hotels with only few luxurious hotels. Apart from Taj lakefront, Bhopal has only two other 5-star properties with no major upcoming 5-star property in pipeline for at least two years, limiting competition to certain extent.

Liquidity: Adequate

GHPL's liquidity remains adequate with lower debt repayments against envisaged GCA. Going forward, in FY26-FY28, with expected improvement in TOI and PBILDT margins, GHPL's gross cash accruals are expected to be sufficient (in range of ₹18-24 crore) against term loan repayment obligations ₹8-9 crore in the same period. Healthy GCA and cashflow from operations of ₹26.53 crore in FY25 (FY24: ₹13.71 crore) lead to built-up of free cash and liquid investments of ₹38.72 crore in FY25 (FY24: ₹12.33 crore). The company also maintains debt service reserve account (DSRA) equivalent to one quarter of interest and principal repayment obligation, providing adequate cushion.

GHPL's Operating cycle remained lean at 12 days in FY25 owing to short collection period (~30-35 days) against credit period available (~28-30 days) from suppliers.

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](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

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

GHPL was incorporated on April 27, 2012, with an intent to set up a hotel at Bhopal. GHPL is promoted by promoters of DBL, who jointly hold 63% shares with balance being held by Hotel Airport Kohinoor Private Limited and Sayaji Hotels Limited.

GHPL entered a franchise agreement with IHCL for 20 years, under the brand name of 'Taj Lakefront' (five-star property).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	62.24	70.67	15.25
PBILDT	20.61	24.57	4.45
PAT	5.87	10.74	NA
Overall gearing (times)	3.15	2.15	NA
Interest coverage (times)	2.79	3.60	NA

A: Audited UA: Unaudited; NA: Not available; 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: 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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	September 2032	64.76	CARE BBB+; Stable
Non-fund-based - LT/ST-Bank Guarantee	-	-	-	-	3.75	CARE BBB+; Stable / CARE A2

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	64.76	CARE BBB+; Stable	-	1)CARE BBB; Stable (04-Dec-24)	1)CARE BBB; Stable (22-Dec-23)	1)CARE BBB-; Stable (28-Oct-22)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	3.75	CARE BBB+; Stable / CARE A2	-	1)CARE BBB; Stable / CARE A3+ (04-Dec-24)	1)CARE BBB; Stable / CARE A3+ (22-Dec-23)	1)CARE BBB-; Stable / CARE A3 (28-Oct-22)

LT: Long term; LT/ST: Long term/Short 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
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender detailsTo 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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