

Radhegovindkripa Developers Private Limited

November 06, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	32.55 (Reduced from 35.97)	CARE BBB-; Negative	Reaffirmed; Outlook revised from Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The long-term rating assigned to bank facilities of Radhegovindkripa Developers Private Limited (RGKDPL) continues to derive strength from established track record of operations of its strategically located hotel property under the “Marriott Spa & Resorts” brand, moderate scale of operations, which declined in FY25 (refers to April 01 to March 31) and adequate liquidity.

However, the rating continues to remain constrained considering decline in RGKDPL’s profitability in FY25, leveraged capital structure, weak debt coverage indicators, geographical concentration risk with competition from existing hotels in Jaisalmer and inherent cyclical nature of the hospitality industry with dependence on tourist arrivals.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in RGKDPL’s operating performance resulting in significant growth in its total operating income (TOI) and improvement in profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 25% on a sustained basis.
- Improvement in capital structure led by overall gearing below 1.50x.
- Improvement in debt coverage indicators with PBILDT interest coverage of over 3x and total debt to gross cash accruals (TD/GCA) below 5x on a sustained basis.

Negative factors

- Reduction in occupancy rate (OR) and average room rate (ARR) over a prolonged period, affecting its liquidity and debt coverage indicators.
- Decline in RGKDPL’s TOI below ₹35 crore and/or decline in PBILDT margin below 20%.
- Withdrawal of surplus liquidity or amount maintained as debt service reserve account (DSRA). leading to significant deterioration in liquidity.

Analytical approach: Standalone

Outlook: Negative

The outlook of RGKDPL has been revised from ‘Stable’ to ‘Negative’ due to continued moderation in ARR and OR in H1FY26, which may result in lower-than-envisaged scale of operations and profitability in FY26; impacting its liquidity and debt coverage indicators. The outlook may be revised to ‘Stable’ if the company is able to achieve envisaged level scale of operations and profitability.

Detailed description of key rating drivers:

Key strengths

Long track record of operations and management agreement with Marriott International

RGKDPL’s hotel property has been operational since 2016, and the management has entered a marketing-cum-management agreement with the USA-based luxury hotel chain “Marriott International” for the brand “Marriott Spa & Resorts” for an initial term of 30 years with automatic renewals of two 10-year terms. Marriott International is the leading hospitality player worldwide with a global distribution network of over 7,000 hotels in 131 countries under 30 brands. Being a member of the Marriott International network, the hotel enjoys benefits such as advertising, promotional programs for the hotel on a global basis and access to Marriott’s reservation system and loyal customer base.

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

Strategic location of the hotel

The hotel is in the heart of Jaisalmer city; 3.50 km from railway station, 1.50 km from bus stand and ~15 km from the airport. Tourist attractions such as the Gadisar Lake and Sonar Quila (Jaisalmer fort) are in proximity to the hotel site. The famous sand dunes of Sam and Khuri are also in its vicinity and are easily accessible from the hotel. Most demand for the hotel is expected to come from tourists visiting Jaisalmer.

Key weaknesses

Moderation in scale of operations and profitability

In FY25, RGKDPL reported moderation in TOI to ₹41.37 crore against ₹45.74 crore in FY24. Decline in TOI was considering lower footfall, which was impacted due to general elections, irregularity in flight connectivity to Jaisalmer from key cities and other major religious events. ARR moderated to ₹8830 in FY25 against ₹9119 in FY24 and lower occupancy rate of 48% in FY25 (53% in FY24). With decline in scale of operations and high operating leverage, PBILDT margin moderated to 16.58% in FY25 from 21.73% in FY24.

In H1FY26, RGKDPL reported TOI of ₹4.16 crore and ARR of ₹4865 and OR of 19% (ARR of ₹4850 and OR of 35% in H1FY25).

Leveraged capital structure and weak debt coverage indicators

RGKDPL's capital structure remained leveraged marked by overall gearing of 2.05x on FY25-end against 2.21x at FY24 end. Debt comprises of term loan, unsecured loans and working capital borrowings. With lower profitability, debt coverage indicators weakened marked by PBILDT interest coverage of 1.38x (1.83x in FY24) and TD/GCA of 9.19x in FY25 (6.75x in FY24). RGKDPL is undertaking a capital expenditure of ₹15 crore for developing a banquet hall and lawn, which shall be funded partly through term loan and balance through infusion of unsecured loans by promoters.

Competition from existing hotels in Jaisalmer and cyclicity of the hospitality industry driven by tourist arrivals

The Indian hotel industry is highly fragmented and region specific in nature with presence of large number of organised and unorganised players. Leisure destinations such as Jaisalmer highly depend on tourist arrivals and is largely seasonal in nature with peak season from October to March. The hospitality industry is highly cyclical in nature and sensitive to untoward events such as slowdown in the economy or pandemic. However, with relaxation of travel restrictions and improvement in connectivity the industry is reporting recovery in bookings for destination weddings and meetings, incentives, conference/conventions and exhibitions/ events (MICE) activities.

Liquidity: Adequate

RGKDPL had adequate liquidity with a negative operating cycle, maintenance of DSRA in the form of fixed deposit for the principal debt repayment obligation for six months and fixed deposits (lien and free) of ₹29.82 crore at FY25-end. The company has debt repayment obligation of ₹5-6 crore in the next three years till FY28 against expected GCA of ₹9-12 crore.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

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

RGKDPL is promoted by G K Group (GKG) to foray into the hospitality business. GKG has been promoted by Maheshwari family and is engaged in businesses ranging from gems and jewellery to real estate. RGKDPL has developed 135 rooms luxury resort property, marketed by the USA-based Marriott International under the brand of "Jaisalmer Marriott Resort and Spa". The hotel

has one indoor restaurant, a roof top restaurant, three event rooms for business meetings/conferences and modern facilities including a swimming pool, a gymnasium, spa, conferencing facilities, kids club and extensive parking space. The hotel commenced partial operations (90 rooms) of hotel property from October 29, 2016, and full operations from November 10, 2016.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	September 30, 2025 (UA)
Total operating income	45.75	41.38	4.16
PBILD	9.94	6.86	0.42
PAT	2.66	0.80	NA
Overall gearing (times)	2.21	2.05	NA
Interest coverage (times)	1.83	1.38	NA

A: Audited UA: Unaudited; Note: these are latest available financial results; NA: Not Available

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	-	-	-	July 2030	32.55	CARE BBB-; Negative

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	32.55	CARE BBB-; Negative	-	1)CARE BBB-; Stable (06-Dec-24)	1)CARE BBB-; Stable (21-Nov-23)	1)CARE BB+; Stable (05-Jan-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.

Contact us

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