Genex Hotels Private Limited

September 08, 2026

Facilities/ Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	3.75	CARE BBB+; Stable / CARE A2	Reaffirmed
Long-term bank facilities	RBI	58.58 (Reduced from 64.76)	CARE BBB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Genex Hotels Private Limited (GHPL) continues to draw strength from the resourceful promoter group, experienced management team, favourable location of the property, and its association with a reputed hotel operator through the "Taj Lakefront" brand. Ratings also factor in GHPL's growing scale of operations supported by healthy average room revenue (ARR) and occupancy rate (OR), resulting in healthy profitability in FY26 (refers to April 01 to March 31).

However,, ratings are constrained by GHPL's moderate capital structure, exposure to macro-economic factors, and seasonality inherent in the hospitality industry. Ratings also take cognisance of implementation risk associated with its ongoing large-size debt-funded capex in its subsidiary company, Genex Lakeview Residency Hotel Private Limited (GLRHPL), for setting up a new hotel property in Bhopal, Madhya Pradesh.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the OR and 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: Consolidated

The analytical approach has been revised from a standalone to a consolidated basis following the incorporation of GLRHPL, a subsidiary of GHPL, in which GHPL holds a 90% equity stake. GLRHPL has been incorporated to develop a hotel property in Bhopal, under the management contract with The Indian Hotels Company Limited (IHCL, rated CARE AA+; Stable/ CARE A1+).

The consolidated approach is supported by strong operational and business linkages between entities, with both hospitality assets being managed by IHCL and operating in the same line of business.
Entities consolidated are shown in Annexure-5.

Outlook: Stable

The stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that GHPL will maintain healthy operating performance in the medium term, supported by improving occupancy levels, higher ARR and a favourable demand outlook for the hospitality industry.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.
[2]Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Detailed description of key rating drivers

Key strengths

Growing scale of operation and healthy profitability

In FY26, GHPL reported a TOI of ₹76.00 crore, registering a growth of 7.5% over ₹70.67 crore in FY25. The growth was primarily driven by increase in room revenue by 12%, followed by 31% increase in recreation and other income and a 4% increase in food and beverage (F&B) revenue. Room revenue growth was supported by improvement in OR to 61% in FY26 (PY: 57%), and an increase in ARR to ₹9,537 per room (PY: ₹9,184 per room).

The company's revenue mix comprises of room revenue of ₹32.57 crore (PY: ₹29.18 crore), F&B revenue of ₹39.24 crore (PY: ₹37.79 crore) and recreation and other income of ₹4.87 crore (PY: ₹3.71 crore). The PBILDT margin remained healthy at 34.02% in FY26 (PY: 34.77%). Owing to lower finance and depreciation expenses and a depreciation write-back of ₹1.24 crore following receipt of goods and services tax (GST) input tax credit, GHPL's profit after taxation (PAT) margin improved to 21.85% in FY26 (PY: 15.20%). Consequently, GHPL reported gross cash accruals (GCA) of ₹18.42 crore (PY: ₹17.41 crore). Per provisional financials for 4MFY27, GHPL reported revenue of ₹21 crore (Q1FY26: ₹15.24 crore). CareEdge Ratings expects continued improvement in operational performance, supported by scaling up of its managed property, and diversified revenue streams.

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

GHPL has entered a 20-year franchise agreement, extendable by two additional terms of five years each, with IHCL for operating the property under the 'Taj Lakefront' brand. For its upcoming 5-star hotel project in Bhopal, being developed under GLRHPL, the company has also entered management agreement with IHCL for operating the property under its 'The Gateway' brand.

IHCL is among the leading hotel operators in Asia, with a presence across India, Sri Lanka, the United Arab Emirates (the UAE), Maldives, Africa, the United States (the US), and the United Kingdom (the UK) in the luxury hospitality segment. Per the agreement, IHCL supervises, directs, and manages the hotel's operations throughout the tenure of the agreement.

Favourable location of the hotel with largest banquet in the city

Taj Lakefront is strategically located in Bhopal, overlooking the backwaters of the Bhadbhada Dam on one side and hills on the other. The hotel has an inventory of 152 rooms, including nine suites and one presidential suite, along with two fine-dining restaurants, a bar and a lounge offering beverages and baked products. The hotel also has six event venues catering to conferences, business meetings, intimate functions, and large celebrations. The property houses the largest banquet hall in the city, spanning 880 square metres with a capacity of ~1,500 guests.

Resourceful promoter group and experienced and professional management

GHPL is promoted by promoters of Dilip Buildcon Limited (DBL), including Dilip Suryavanshi, Devendra Jain, and their family. Promoters are resourceful and have significant experience through the group's flagship infrastructure company, DBL. Dilip Suryavanshi is supported by Karan Suryavanshi in strategic decision-making. Robin Dutta, Director, GHPL, has over two decades of experience in hospitality operations in Bhopal. Day-to-day operations are managed by Kanika Hasrat, General Manager, IHCL, who has over three decades of experience in the hospitality industry.

Key weaknesses

Moderate capital structure and debt coverage indicators

GHPL's capital structure improved despite remaining moderate, marked by an overall gearing ratio of 1.85x as on March 31, 2026 (PY: 2.15x). The improvement in gearing level is considering accretion of profits to reserves and scheduled repayment of term debt. In FY26, the company availed a fixed deposit-backed overdraft facility of ₹26.94 crore towards stamp duty payments made on behalf of its subsidiary, GLRHPL. This has resulted in a temporary increase in total debt during the year. However, the overdraft facility has been fully repaid in Q1FY27 and have nil utilisation as on the date of review.

Promoters have infused ₹53.36 crore through redeemable preference shares (RPS) in FY20 (September 27, 2019). Of this, ₹30 crore is treated as part of tangible net worth (TNW) due to its subordination to lender obligations, while the balance is treated as debt.

The debt coverage continues to remain moderate marked by interest coverage ratio and total debt to PBILDT of 4.47x (PY: 3.60x) and 4.21x (PY: 3.67x), respectively, in FY26. Total outside liabilities to TNW (TOL/TNW) also improved to 2.07x (PY: 2.40x).

While GHPL’s debt levels are expected to elevate in the projected period, considering sizeable debt-funded capex, CareEdge Ratings expects its leverage profile to remain moderate on back of envisaged healthy accruals with gradual growth in scale of operations.

Vulnerability to macroeconomic factors and seasonal uncertainty
The company remains exposed to changes in macroeconomic conditions, industrial activity, tourism growth, demand-supply dynamics, government policies, and other socio-economic factors. These factors contribute to inherent cyclicality of the hospitality industry. Adverse movement in these factors can affect occupancy levels, room rates, and profitability.

The hospitality industry is highly competitive, with the presence of organised and unorganised players and increasing influence of online booking platforms and aggregators. Bhopal has over 350 hotels across budget and luxury segments, with an aggregate capacity exceeding 10,000 rooms. However, majority properties operate in the budget segment.

Proposed debt-funded capex at a very nascent stage
GHPL is developing a luxury lake-view resort in Bhopal through its subsidiary, GLRHPL, where GHPL holds a 90% equity stake, with the remaining 10% held by DBL. The proposed property will comprise ~150 rooms and is estimated to entail a total project cost of ~₹160 crore.

Upon completion, the property is expected to be operated by IHCL under its upscale "The Gateway" brand, which is expected to provide operational expertise, brand visibility, and market access benefits. The hotel is currently at the development stage, with commercial operations expected to commence by November 2029. Consequently, timely completion of the project within envisaged cost and time parameters and stabilisation of operations post-commissioning will remain key monitorable from a credit perspective.

Liquidity: Adequate
GHPL’s liquidity remained adequate with lower debt repayments against envisaged GCA and sufficient cash and bank balance, which is aiding its liquidity. As on March 31, 2026, GHPL has free cash and liquid investments of ₹17.25 crore in FY26 (FY25: ₹38.72 crore). The company also maintains debt service reserve account (DSRA) of ₹2.49 crore equivalent to one quarter of interest and principal repayment obligation, providing adequate cushion.

The company’s cashflow from operations moderated to ₹5.09 crore in FY26 (PY: ₹26.53 crore), considering increase in current assets pertaining to GST receivables to the tune of ₹12.46 crore in FY26. GHPL’s operating cycle remained lean at 14 days in FY26 (PY: 12 days), owing to a short collection period (~30-35 days) against the credit period available (~28-30 days) from suppliers.

Going forward, GHPL’s GCA are expected to be sufficient (in the range of ₹24-30 crore) against term loan repayment obligations of ₹8-9 crore during the projected period.

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
Short Term Instruments
Consolidation

About the company and industry

Industry classification

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

GHPL was incorporated as 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).
As on January 30, 2026, GHPL incorporated GLRHPL as a subsidiary to develop, along with DBL and IHCL, a ~150-room luxury Gateway-branded resort at the ~7.5-acre Lake View Residency property in Bhopal.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (Prov)
Total operating income	70.67	76.00
PBILDT	24.57	25.85
Profit after tax (PAT)	16.61	16.61
Overall gearing (x)	2.15	1.85
Interest coverage (x)	3.60	4.47

A: Audited Prov: Provisional; 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

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	RBI	Simple	-	-	-	30-09-2032	58.58	CARE BBB+; Stable
Non-fund-based - LT/ ST-Bank Guarantee	RBI	Simple	-	-	-	-	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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	58.58	CARE BBB+; Stable	-	1)CARE BBB+; Stable (06-Oct-25)	1)CARE BBB; Stable (04-Dec-24)	1)CARE BBB; Stable (22-Dec-23)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	3.75	CARE BBB+; Stable / CARE A2	-	1)CARE BBB+; Stable / CARE A2 (06-Oct-25)	1)CARE BBB; Stable / CARE A3+ (04-Dec-24)	1)CARE BBB; Stable / CARE A3+ (22-Dec-23)

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Genex Lakeview Residency Hotel Private Limited	Full	Subsidiary company

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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About us:

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