



Press Release
ORANGE MEGASTRUCTURE LLP
December 18, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	164.00	ACUITE BBB- Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	164.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on Rs. 164.00 Cr. bank facilities of Orange Megastructure LLP (OMLLP). The outlook is '**Stable**'.

Rationale for rating reaffirmation

The reaffirmation of the rating factors in muted revenue growth as compared to the previous year due to prolonged renovation at the existing facilities. Operating margins though declined but remained healthy at ~ 34.70 per cent in FY2025, reflecting cost optimization and stable F&B contribution; however, higher interest costs on additional term loans for renovation and expansion exerted pressure on profitability, resulting in moderation in coverage metrics. The rating continues to draw comfort from the strong support extended by the group company, Century 21 Town Planners Private Limited, in the form of corporate guarantee and timely financial assistance. Going forward, improvement in occupancy and ARR post-Marriott operational integration, along with sustained deleveraging and better coverage indicators, will remain a key rating monitorable.

About the Company

Based in Indore, Madhya Pradesh, Orange Megastructure LLP (OMLLP) was established in 2012. The Firm is engaged in running of five Star Hotel located in Surat, Gujarat under the brand "Le-Meridien". The company is led by Mr. Gurjeet Singh Chhabra and Mr. Rajesh Mehta, having experience of over three decades in the real estate, running malls.

Unsupported Rating

ACUITE BB+/Stable

Analytical Approach

Acuite has considered standalone business and financial risk profile of OMLLP and has notched up the standalone rating of OMLLP by factoring in the financial support extended by Century 21 Town Planners Private Limited to OMLLP.

Strengths

Established operations with experience management

Incorporated in the year 2012, the firm is engaged in running operations of five-star hotel under the brand name "Le-Meridien" located in Surat, Gujarat. The firm has established operations of more than a decade and is led by Directors, Mr. Gurjeet Singh Chhabra and Mr. Rajesh Mehta who possess experience of over three decades in the real estate development and management of shopping malls. Acuité believes that the promoters' extensive understanding and expertise will support the company's operations going forward.

Strong support from the group company

Century 21 Town Planners Private Limited (CTPPL) is a part of C21 Group which is promoted by Mr. Gurjeet Chhabra and the group has a well-established presence in the real estate market. CTPPL currently operates a renowned mall in Indore known as 'C21 Mall' and also owns C21 Business Park. Furthermore, the group entity holds ~49.92 percent and Mr. Gurjeet Chhabra (common director) holds 0.08 percent stake in OMLLP as on March 2025. CTPPL has extended financial support by way of capital infusion and will continue to do so as in when required. Also, CTPPL has extended corporate guarantee on the loans availed by OMLLP. Acuité believes that OMLLP will continue to benefit from the support from the group company over the medium term.

Stable operating revenue and profitability

OMLLP's operating income remained stagnant at around Rs. 70.00 Cr in FY2025, compared to Rs. 70.47 Cr in FY2024, primarily due to prolonged renovation and partial room closures during the year. While the food and beverage segment continued to contribute, the expected growth was muted as the newly renovated rooms were not fully operational until late FY25. Consequently, room revenue remained subdued, and occupancy levels were impacted despite the renovated property being fully operational towards the end of the year. Further, till October 2025, the revenue of OMLLP stood at ~Rs. 22 Cr and EBITDA stood at ~Rs.8.90 Cr. EBITDA margins were declined though remained at healthy levels at 34.70 per cent in FY25 as compared to 45.22 per cent owing to cost optimization and strong F&B performance; however, PAT margins declined and stood at 4.82 per cent in FY25 as compared to 6.74 per cent in FY24 due to higher interest costs on additional term loans taken for renovation and expansion. PAT has arrived after considering non-operating income of Rs. 4.97 Cr in FY2025 and Rs. 6.24 Cr in FY2024 which mainly consist of interest received on loans and advances extended to group companies/SPVs. Acuité believes, the operating performance of the company would remain steady supported by the Marriott tie-up and full room inventory utilization.

Weaknesses

Working capital intensive nature of operations

OMLLP's operations remain working capital intensive, as reflected by elongated gross current asset (GCA) days. The GCA days stood at 422 days in FY25 as compared to 381 days in FY24. This is largely due to significant advances and deposits maintained for operational requirements. Inventory and receivable cycles remained low, at 6 days and 3 days in FY25 and 11 days and 2 days in FY24 respectively. Creditor days improved though continue to be stretched at 95 days in FY25 and 142 days in FY24 owing to extended credit terms from food and beverage suppliers. The working capital intensity is expected to persist in the medium term, given the nature of the business and reliance on advances.

Moderate financial risk profile

The financial risk profile remains moderate in FY2025, marked by moderate net worth, gearing and debt protection metrics. Net worth stood at Rs. 73.53 Cr. in FY25 as against Rs. 66.18 Cr. in FY24, due to accretion of profits and capital infusion. Total debt increased to Rs.148.45 Cr in FY25 from Rs. 146.83 Cr in FY2024 due to additional term loans for renovation. Debt protection metrics remains moderate as DSCR and ICR continue to remain moderate at 1.15 times and 1.55 times in FY25 and 0.84 times and 1.55 times in FY24 respectively. TOL/TNW stood at 2.24 times in FY25 as compared to 2.50 times in FY24. Debt-to-EBITDA declined and stood at 5.03

times as against 3.85 times in FY24. Acuite expects the financial risk profile to remain moderate until revenue growth materializes post-Marriott integration.

Exposure to SPVs through extension of loans and advances

OMLLP has made significant infusions (through loans & advances towards its SPVs). These infusions constitute ~97 percent of the tangible networth. Further, these investments are expected to remain over the medium term. Therefore, any significant outflow towards these SPVs thereby impacting the liquidity of the company shall be a key rating monitorable.

Cyclical nature of the hotel industry

The company is exposed to inherent cyclical nature of the hotel industry. Acuite believes the success of the company will be dependent upon its ability to excel in areas such as room rates, quality of accommodation, service level and convenience of location and also the quality and scope of other amenities, including food and beverage facilities after the completion of the project.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

Acuite takes into consideration the benefit derived by the group company Century 21 Town Planners Private Limited of corporate guarantee on the loans of OMLLP

Rating Sensitivities

- Sustain growth in revenue and profitability.
- Any stretch in the working capital cycle leading to deterioration of liquidity position.
- Any further deployment of loans and advances to the group companies exceeding the standalone net worth.

Liquidity Position Adequate

Liquidity remains adequate, with net cash accruals (NCA) of Rs. 8.49 Cr in FY25 against debt repayment obligation of Rs. 4.80 Cr during the same period. Further the NCA are expected to remain in the range of Rs.9 – 15 Cr. Cash and bank balance stood at ~Rs. 4.5 Cr. The group company's corporate guarantee and commitment to provide financial support continue to strengthen the liquidity profile. The reliance on bank limit utilisation stood high at ~97 per cent for six months ending October 2025. Over the medium term, net cash accruals are expected to improve with higher occupancy, aligning with reduced repayment obligations.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	70.87	70.45
PAT	Rs. Cr.	3.42	4.75
PAT Margin	(%)	4.82	6.74
Total Debt/Tangible Net Worth	Times	2.02	2.22
PBDIT/Interest	Times	1.55	1.55

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

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>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.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. Acuite'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

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
20 Sep 2024	Term Loan	Long Term	144.50	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	14.00	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	5.50	ACUITE BBB- Stable (Reaffirmed)
20 Sep 2023	Funded Interest Term Loan	Long Term	2.20	ACUITE BBB- Stable (Upgraded from ACUITE BB Stable)
	Term Loan	Long Term	84.27	ACUITE BBB- Stable (Upgraded from ACUITE BB Stable)
	Term Loan	Long Term	31.95	ACUITE BBB- Stable (Upgraded from ACUITE BB Stable)
	Term Loan	Long Term	13.60	ACUITE BBB- Stable (Upgraded from ACUITE BB Stable)
	Cash Credit	Long Term	2.50	ACUITE BBB- Stable (Upgraded from ACUITE BB Stable)
	Covid Emergency Line.	Long Term	19.41	ACUITE BBB- Stable (Upgraded from ACUITE BB Stable)
	Funded Interest Term Loan	Long Term	2.00	ACUITE BBB- Stable (Upgraded from ACUITE BB Stable)
	Proposed Long Term Bank Facility	Long Term	8.07	ACUITE BBB- Stable (Upgraded from ACUITE BB Stable)
04 Jul 2022	Funded Interest Term Loan	Long Term	2.68	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	89.03	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	33.89	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	14.17	ACUITE BB Stable (Assigned)
	Cash Credit	Long Term	2.42	ACUITE BB Stable (Assigned)
	Covid Emergency Line.	Long Term	19.41	ACUITE BB Stable (Assigned)
	Funded Interest Term Loan	Long Term	2.40	ACUITE BB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
ICICI BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB- Stable Reaffirmed
ICICI BANK LIMITED	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	03 Feb 2035	159.00	Simple	ACUITE BBB- Stable Reaffirmed

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr.No	Company Name
1	Century 21 Town Planners Private Limited
2	Orange Megastructure LLP

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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