



# **FEASIBILITY REPORT | MARCH 2025**

## **FEASIBILITY REPORT FOR MPT LAKEVIEW RESIDENCY HOTEL**

**FOR  
MADHYA PRADESH HOTEL CORPORATION LIMITED**

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# 1

# INTRODUCTION

## **1. ABOUT MADHYA PRADESH STATE TOURISM CORPORATION LIMITED & MADHYA PRADESH HOTEL CORPORATION LIMITED (MPHCL)**

Madhya Pradesh State Tourism Development Corporation Limited (MPSTDC) a public company incorporated under the Companies Act, 1956 is the nodal agency in the State of Madhya Pradesh for implementation of tourism projects in the State, has the mandate to promote tourism in the state of Madhya Pradesh. MPSTDC, a governmental organization established in 1978 to oversee and regulate tourism activities within the Indian state of Madhya Pradesh. Headquartered in Bhopal, MPSTDC maintains a widespread presence across all districts of the state.

The corporation's operations encompass various sectors, including:

- Accommodation: Management of homestays, hotels, resorts, and tourist rest houses strategically located throughout the state.
- Tourism Promotion: Execution of initiatives aimed at promoting Madhya Pradesh as a desirable tourist destination.
- Regulatory Functions: Oversight and regulation of tourism-related activities within the state.

As a part of the mandate the Madhya Pradesh State Tourism Development Corporation Ltd through its 100% owned subsidiary, Madhya Pradesh Hotel Corporation Limited (referred hereinafter as “MPHCL”) is taking up the project for Development, Operation & Maintenance and Management of Lakeview Residency Hotel, Bhopal on Design, Build, Finance, Operate, Transfer (DBFOT) Mode for 60 Years (extendable by a period of 10 years).

Madhya Pradesh Hotel Corporation Limited, a private limited company incorporated under the Companies Act, 1956 is a 100% owned subsidiary of MPSTDC.

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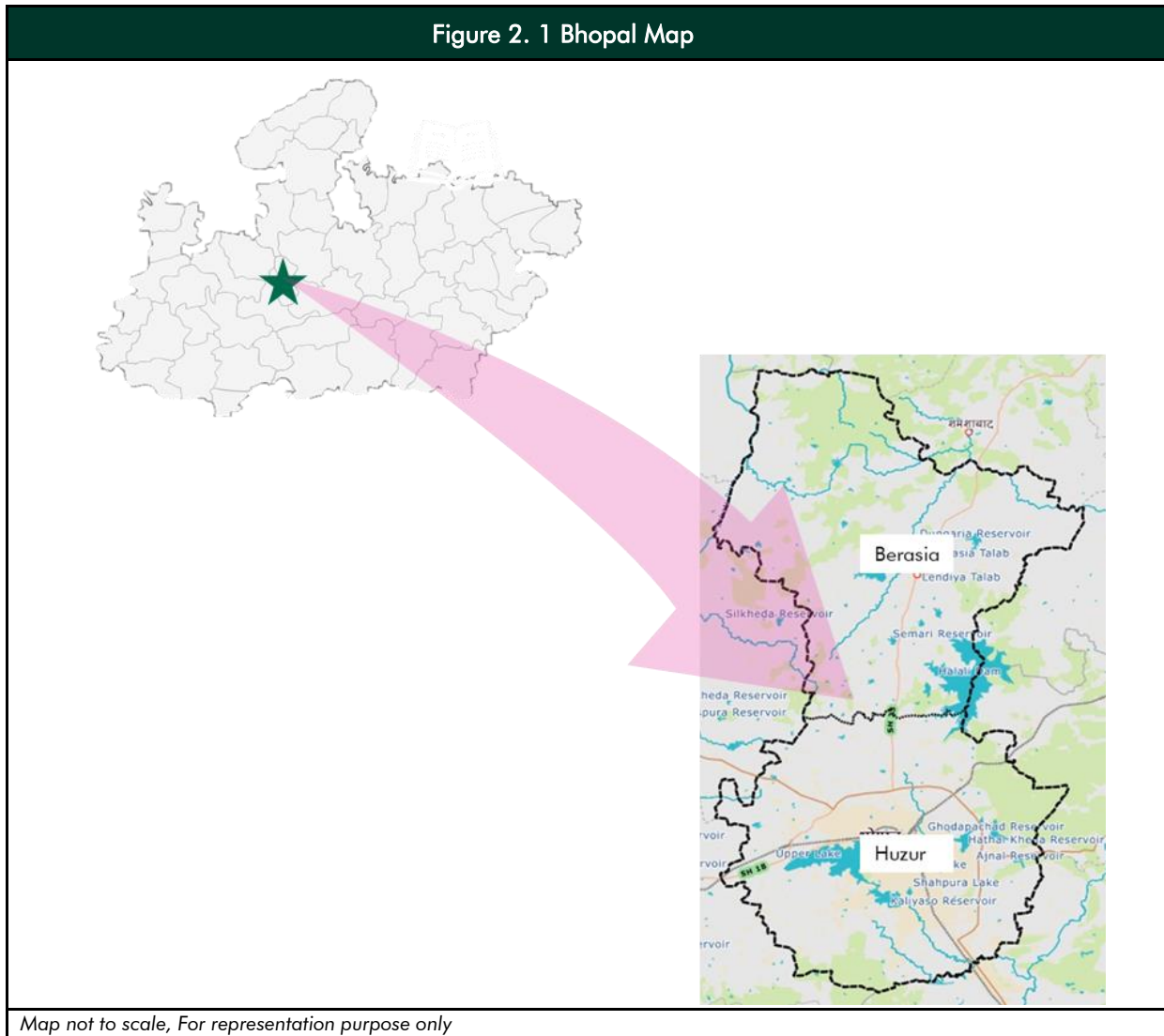
# 2

## REGION OVERVIEW



## 2. REGION OVERVIEW

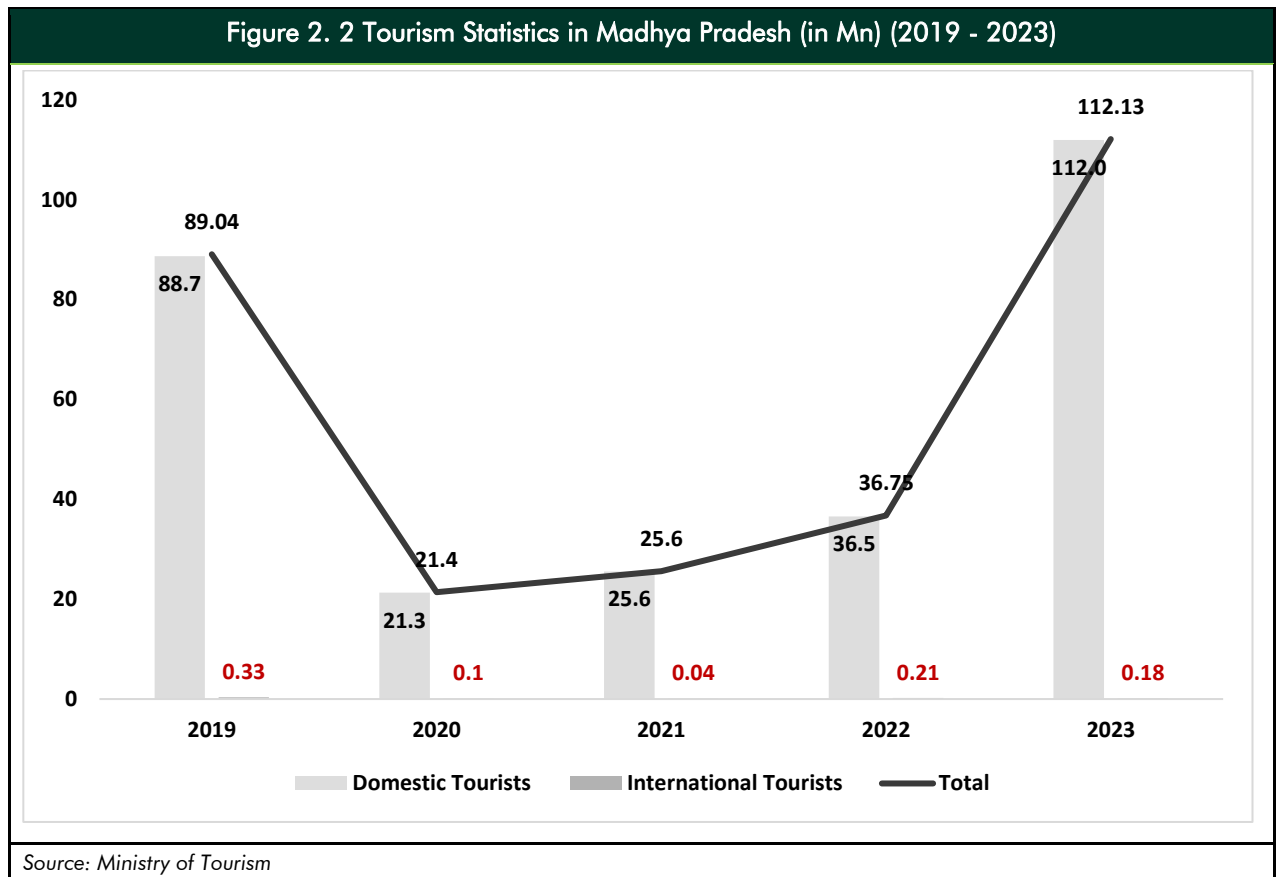
Located in the central region of India, Madhya Pradesh, with an area of 3,08,000 sq.km. is the second largest state in India. It is a part of the peninsular plateau of India & its boundary can be classified in the north by the plains of Ganga-Yamuna, in the west by the Aravali, east by the Chhattisgarh plain and in the south by the Tapti valley and the plateau of Maharashtra.



In 2025, the Madhya Pradesh state government launched a new state tourism policy to attract investments from the private sector into Madhya Pradesh to increase domestic tourist footfall. The Madhya Pradesh Tourism Policy will remain effective for the next 5 years. The Tourism Policy aims to promote balanced and sustainable tourism which enables socio-economic development, generate employment opportunities, and establishes the state as a destination that provides a complete tourism experience. Madhya Pradesh has well-developed social, physical and industrial infrastructure coupled with good transport connectivity via 46 national highways, eight airports (five operational airports at Bhopal,

Jabalpur, Khajuraho, Indore & Gwalior and 3 non-operational airports at Khandwa, Panna and Satna) and rail links to all major cities.

#### Tourism Statistics in Madhya Pradesh (2019 – 2023):



Madhya Pradesh is amongst well-known tourist destinations in India. The state of Madhya Pradesh recorded a significant increase in tourist arrivals, with approx. 112.1 Mn visitors (both international and domestic tourists) in 2023. Notably, the state experienced a substantial annual growth of 205% in tourist footfall from the year 2022 to the year 2023.

Bhopal, the capital of Madhya Pradesh is located at the heart of India. The city is also known as the 'City of Lakes' owing to around fifteen lakes present within & on the outskirts of the city. Of these, the two most prominent lakes are the Upper Lake and the Lower Lake. Further, the city enjoys good connectivity with other parts of India through rail, air and road networks.

Bhopal is well connected by rail and road to prominent cities such as Indore, Jabalpur, etc. Prominent national highways such as NH – 12 and NH – 46 passes through the city. The same has facilitated excellent connectivity to Bhopal with various prominent towns and cities, thereby enhancing the development potential of the region.

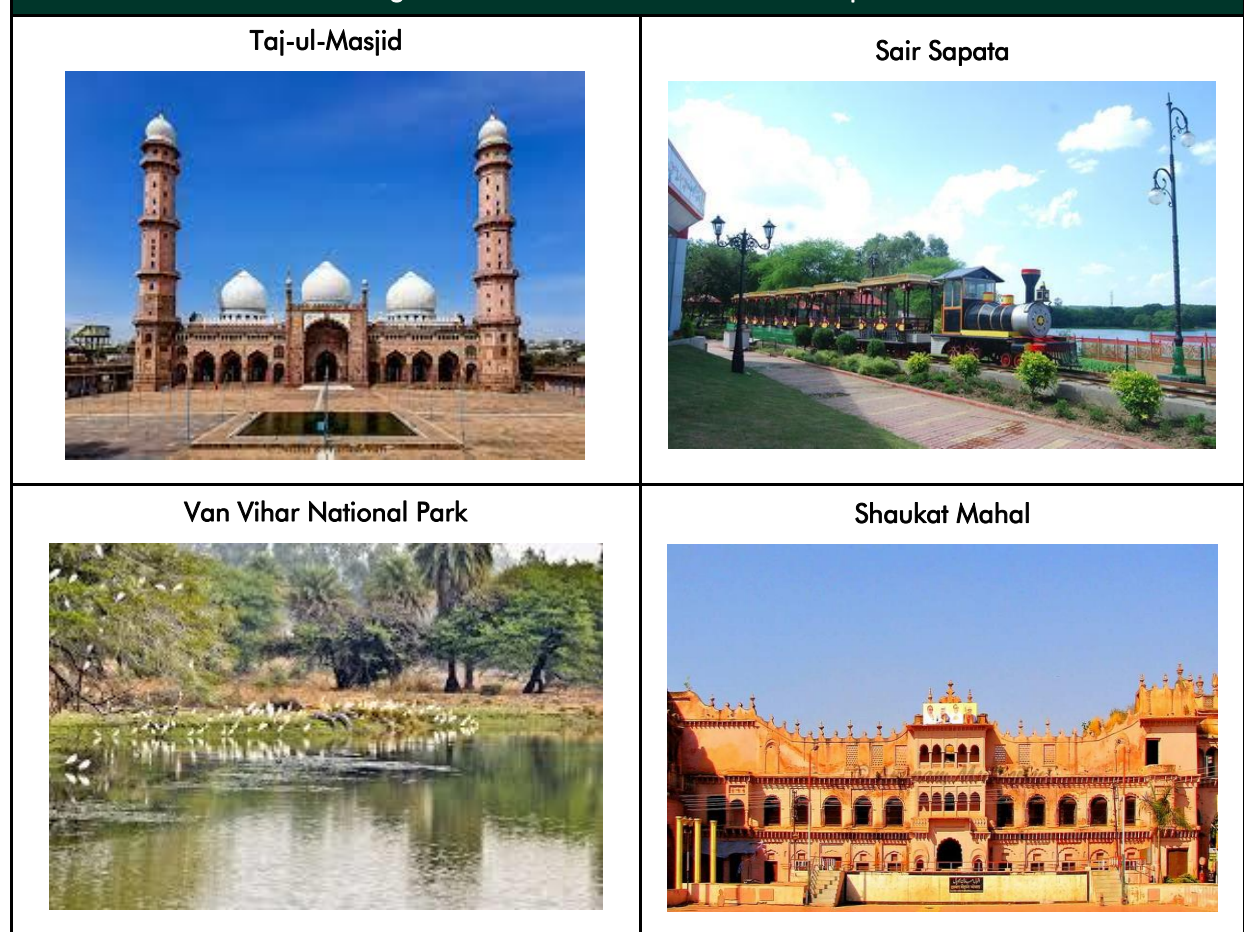
Bhopal being the state capital serves as the administrative centre of the state. In terms of tourism, the city is a part of the Sanchi-Bhopal-Bhojpur-Bhimbetka-Pachmarhi Circuit and additionally serves as a stop-



over for tourists visiting nearby locations such as Pachmarhi, Sanchi etc. Bhopal also witnesses corporate travellers from sectors such as Automobiles, Pharmaceuticals etc. from neighbouring states of Gujarat, Odisha, West Bengal, Maharashtra for religious and leisure purposes.

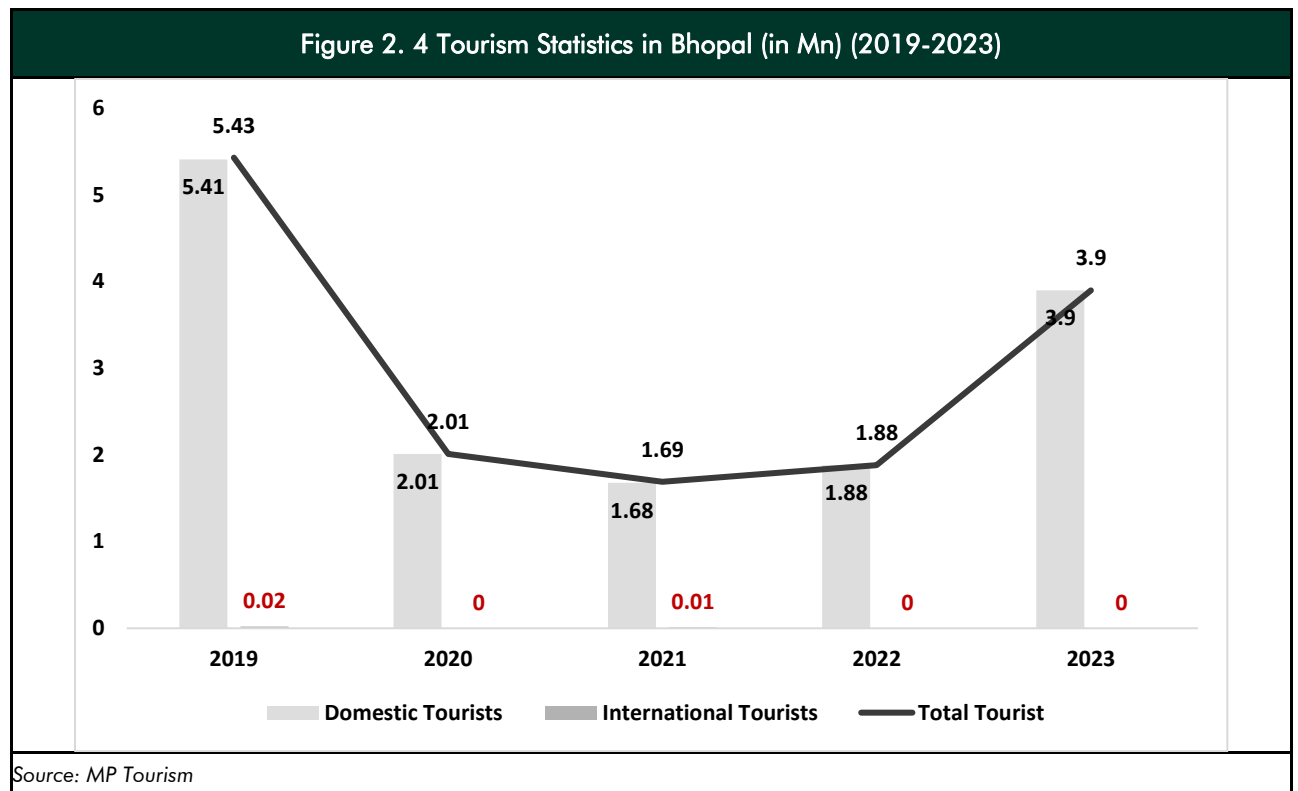
Bhopal city has presence of limited hospitality developments in the 5-star hotels category. These hospitality developments include Marriott Courtyard, Noor-Us- Sabah, Jehan Numa, Taj and Radisson. Additionally, there are some resorts owned and operated by MP tourism in the city such as Palash Residency, Wind and Waves Cottages, Kerwa Resort, etc. Presence of various heritage and cultural tourist locations such as Taj-ul-Masjid (the largest mosque in India), Gauhar Mahal, Sadar Manzil, etc, provide an opportunity for heritage and cultural tourism in Bhopal.

**Figure 2. 3 Prominent Tourist Sites in Bhopal**



**Tourism Statistics in Bhopal:**

Bhopal city has witnessed an annual footfall of approx. 3.9 Mn tourist visiting for leisure and business purposes. the year-on-year tourist footfall visiting Bhopal city is as follows:



The total domestic tourist visiting Bhopal in the year is approx. 3.9 Mn tourist whereas the total foreign tourist visiting Bhopal is limited to approx. 2,336 tourist. The city witnessed a significant surge in tourist arrivals, recording a 100% increase from 1.88 Mn visitors in the year 2022 to approximately 3.9 Mn visitors in the year 2023. In 2020, Bhopal experienced a significant decline in tourist arrivals due to the COVID-19 pandemic, resulting from the travel restrictions imposed by the state government.

**Key factors driving tourism in this region:**

- Close proximity to prominent UNESCO World Heritage Sites such as Sanchi and Bhimbetka.
- Heritage, religious and leisure attractions in the region such as Gauhar Mahal, Sair Sapata, Taj-ul-Masjid, Birla Mandir, etc.
- Film tourism (Bhopal is used as a destination for shooting of various films and OTT shows).
- Excellent road & rail connectivity from all over India.
- Part of the large Sanchi-Bhopal-Bhojpur-Bhimbetka-Panchmarhi Circuit.

## 2.1 Key Infrastructure Initiatives

### 2.1.1 Existing Infrastructure in Bhopal

Various development initiatives such as BRTS (Bus Rapid Transit System), International Airport and AIIMS Medical Institution have enhanced the attractiveness of Bhopal as a real estate destination. The same are briefly discussed below:

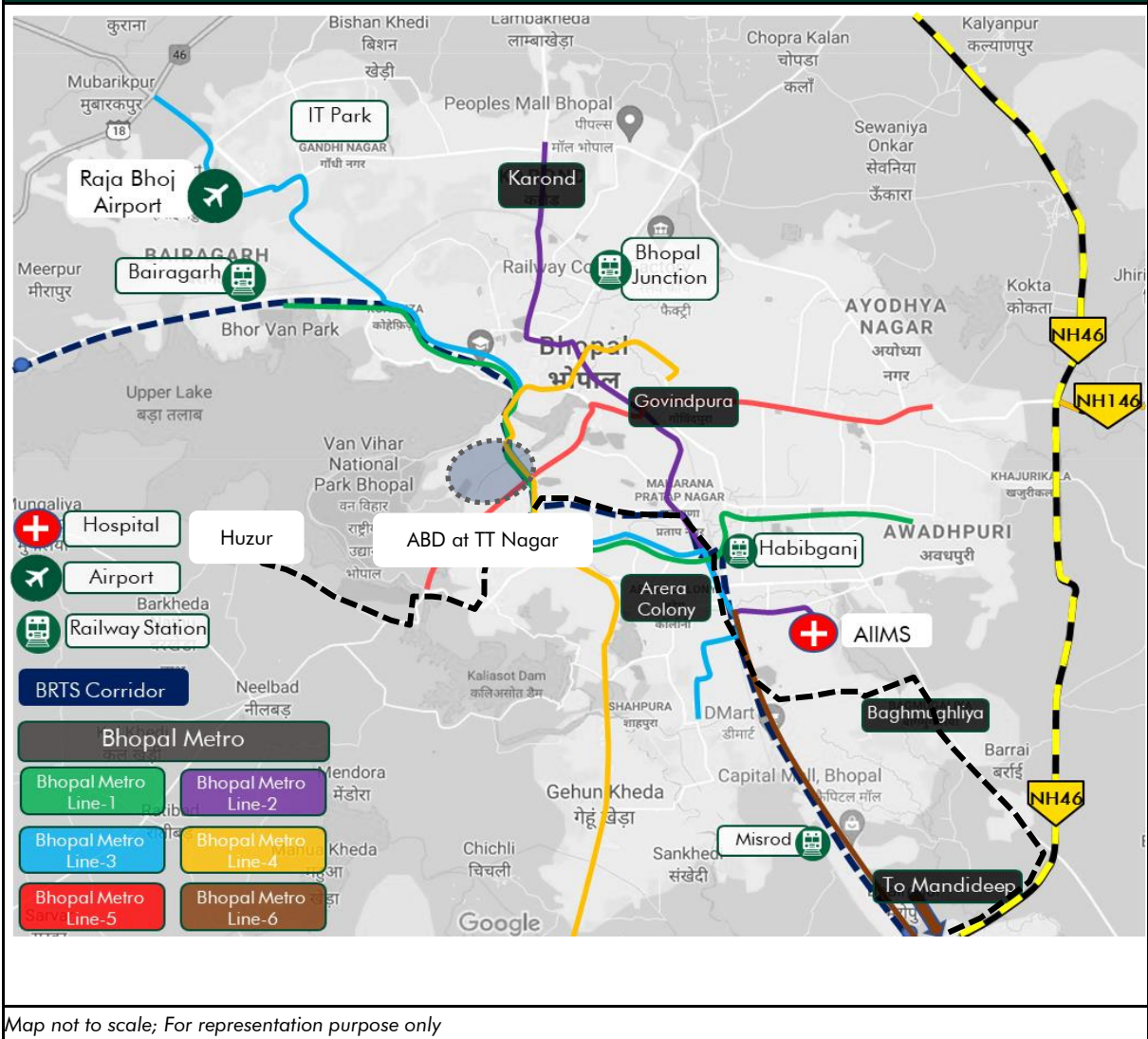
- **BRTS (Bus Rapid Transit System):** The rising population of the city and development of newer peripheral areas in Bhopal stretched the current public transportation system to its limits. To improve intra-city connectivity, a 24 km long BRTS corridor was proposed between Misrod to Bairagarh. The construction for the same was completed in Q2, 2013 and the commencement of operations has resulted in significant improvement in the connectivity of Central Bhopal with other parts of the city.
- **AIIMS Medical Institution:** The healthcare services in Bhopal have enhanced with the completion of All India Institute of Medical Sciences (AIIMS). The AIIMS Campus which began operations in Q1, 2013 comprises of an 850-bed hospital providing treatment in 39 specialty and super specialty disciplines along with a medical institute imparting medical education to graduate and post graduate students.
- **IT Park:** Bhopal's first Software Technology Park has been set up by Madhya Pradesh State Electronics Development Corporation (MPSEDC) Ltd. in Badwai Village adjacent to the Rajiv Gandhi Prodyogiki Vishwavidyalaya. The Software Park covers an area of 212 acres out of which about 50 acres have been designated for electronic manufacturing companies. Few independent plots will be developed for rent and will include amenities such as a centralized air conditioning system, food court and café, business center, private boardroom, a fitness club. Independent plots to be developed by the buyer will also be available for purchase providing facilities such as 18-meter-wide roads, water supply, and power supply with back-up.
- **Habibganj Railway Station:** India's first privatized railway station, the redevelopment of Habibganj Station commenced in January 2017. The station is the first to be developed under the PPP model with Bansal Group being awarded the contract. This station comprise world-class facilities such as an AC lounge on first floor, retail units, Cafeteria, etc. The total cost of the project is approx. INR 4.5 Billion (450 Cr). The redevelopment of Habibganj Railway Station was a part of larger initiative i.e., redevelopment of 508 stations as 'Amrit Bharat Stations'. This initiative aimed to revitalize 1309 railway stations nationwide, leveraging them as catalysts for local economic growth, tourism development, and the overall modernization of Indian Rail.

### 2.1.2 Infrastructure Initiatives – Planned connectivity & Infrastructure

Bhopal has many important infrastructure initiatives, which are focused at improving the connectivity within Bhopal and its connectivity across India. Some of the major initiatives towards this are as follows:

- **Proposed / Under Construction Master Plan Roads:** As per the Draft Bhopal Development Plan - 2021, Infrastructure Development Work of 45M Wide Master Plan Road at Village- Misrod, Jatkhedi, Bagli, Katara and Barraai of Bhopal district, TehsilHuzur, and 80m wide & 200m wide roads have been proposed in order to enhance the accessibility and connectivity with other parts of Bhopal. At present, construction activity on these roads is stalled due to litigation by villagers residing on the way of the stretches. Post completion, these roads are expected to have a positive impact on the real estate developments located in the various micro-markets of the city. However, no construction completion timelines are available in the public domain currently.  
**Impact on subject area:** The proposed roads provide a solution to easing the traffic congestion. This will also greatly assist in boosting the intra-city connectivity within various vectors of Bhopal.
- **Under Construction Bhopal Metro:** The Bhopal Metro is an under construction rapid transit system intended to serve the city of Bhopal. The total system will comprise of 6 lines in a phased development, with Phase-1 comprising of two corridors and a combined length of 27.9 Km of elevated and underground corridors. The intent of the metro project is to connect the peripheral regions of Bhopal such as Karond, Ayodhya Bypass Road etc. to the central regions of the city. Bhopal Metro project phase 1 is expected to be completed in the year 2027.  
**Impact on subject area:** Upcoming Bhopal Metro will boost the image perception of Bhopal. It will also provide a boost to intra-city connectivity, further enhancing tourist numbers.
- **Area Based Development – TT Nagar:** The city of Bhopal is chosen as one of the initial 20 cities for the area based development in the Government of India's Smart Cities Challenge. As part of its Area-Based Development (ABD) proposal, Bhopal plans to revitalize a 342-acre area in North and South TT Nagar, marking the sole redevelopment and rehabilitation project among the 100 selected smart cities.  
**Impact on subject area:** The proposed area-based development is expected to stimulate infrastructure growth and higher commercial activity in the region, thereby enhancing the city's appeal to tourists. This, in turn, may lead to increased average length of stay of the tourists in the city.

Figure 2. 5 Key Infrastructure Initiatives



# 3

## SITE AND LOCATION ANALYSIS



### 3. SITE & LOCATION ANALYSIS

#### 3.1 Subject Site Overview

The MPT Lakeview Residency Hotel is situated on a 7.16-acre site in the prestigious Shyamla Hills area of Bhopal. The property boasts stunning views of the Upper Lake and is strategically located near prominent developments, including :

- CM's Residence
- Doordarshan Kendra Bhopal
- Jehan Numa Palace Hotel
- MPT Wind & Waves Hotel
- Van Vihar National Park
- Manav Sanghralaya
- Tribal Museum
- Sair Sapata

This unique blend of natural beauty, culture, infrastructure, and amenities positions the subject location as a highly desirable destination. The particulars of the site are as below:

Table 3. 1: Distances and Average Travel Time from Key Hubs	
Particulars of the Site	Description
Location Coordinates	23.243245981073432, 77.38783610607265
Tehsil	Huzur
Area	Shyamla Hills

#### 3.2 Location Highlights

Shyamla Hills is a highly esteemed and coveted area which offers :

- Easy access to major landmarks and transportation hubs
- Proximity to schools, hospitals, restaurants, and shopping centers
- Presence of hotels, museums, and cultural attractions, driving tourist footfall

The area's prestige, amenities, and natural beauty make it an attractive location for residents, tourists, and businesses alike.

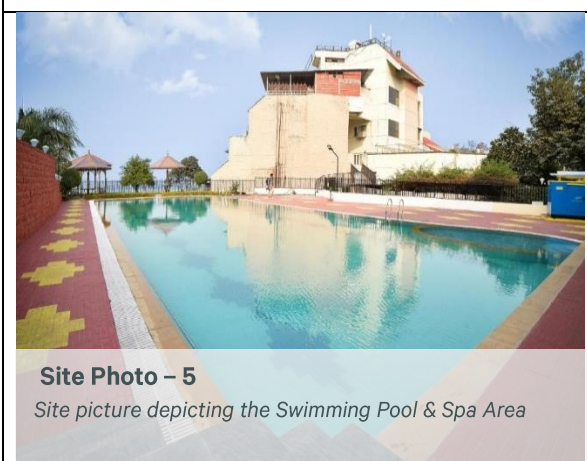
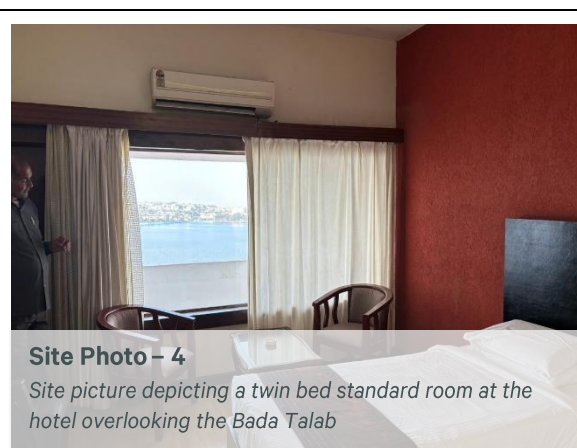
#### 3.3 Site Appreciation

The subject property is an operational hospitality development unit with total land area admeasuring approx. 7.16 acres located in Shyamala Hills, which includes parking lots, Bhopal Express Restaurant, Spa & Pool, and Drive in theatre. The subject micro-market unit enjoys connectivity via 24 mts. wide VIP Road (north) to the Bhopal Raja Bhoj Airport and other places like Birla Museum, Sair Sapata, Interpretation Centre -Manav Sangrahalaya via 24 mts. wide Jehan Numa Palace Road. The subject site also enjoys significant frontage along the Upper Lake. The site components are as below:

Table 3. 2 : Site Particulars	
Rooms	Total Keys
Standard Rooms	38
Deluxe Suites	4
Total Rooms	42
Food & Beverage Areas	Number
Bhopal Express Restaurant	1
Kinara Restaurant	1
Rooftop Restaurant	1
Ripples Bar	1
MICE Facilities	Number
Banquet Hall 1	1
Banquet Hall 2	1
Event Lawn	1
Drive in Theater	1
Other Facilities	<ul style="list-style-type: none"> <li>• Spa</li> <li>• Gym</li> <li>• Swimming Pool</li> </ul>

Table 3. 3: Site Overview & Pictures

	
 <p><b>Site Photo – 1</b> MPT Lakeview Residency Hotel</p>	 <p><b>Site Photo – 2</b> Site picture depicting the reception and lobby area of the hotel</p>



### 3.4 Accessibility & Connectivity

Table 3. 4 : Distances and Average Travel Time from Key Hubs		
Key Hubs	Distance (in km)	Travel time (in minutes)
TT Nagar	2 – 2.5	5 – 10
MP Nagar	5.5 – 6	10 – 15
Habibganj Railway Station	8 – 8.5	15 – 20
Raja Bhoj Airport	13.5 – 14	25 – 30
Kolar Road	10.5 – 11	20 – 25
Source: Research		



### 3.5 SWOT Analysis for Lakeview Hotel

#### Strengths

- **Strategic Location:** The hotel's unique placement offers breathtaking views of the Bada Talab.
- **Scenic Spots:** Direct access to natural and cultural hotspots.
- **Connectivity:** Well-linked to various parts of Bhopal through Jehan Numa Palace Road.

#### Weaknesses

- **Limited Tourist Attractions:** Comparatively less tourist sites/attractions in Bhopal as opposed to other tourist hotspots such as Jaipur, Udaipur, Agra, Puri etc. However tourist numbers have seen an increase in recent years owing to the impetus provided by MPTB.
- **Lack of City-Focused Marketing:** Bhopal is primarily positioned as an administrative city, rather than a tourist destination.

#### Opportunities

- **City Promotion:** Thrust for city focused promotion to enhance domestic and international tourism in Bhopal, especially with its vicinity to Tourism hotspots including the Unesco World Heritage Site of Sanchi, Udayagiri Caves, Bhimbetka caves, Bhojeshwar Temple in Bhojpur, Ratapani Tiger Reserve
- **Upscale Room Inventory:** Dearth of upscale accommodation in the city
- **Destination Wedding and Convention Market along with Film Tourism:** Opportunity to capitalize on this growing market.

#### Threats

- **Vicinity to Bada Talab:** Close proximity to Bada Talab shall require mindful development compatible with the existing aesthetic of the location.



# 4

## Hospitality Sector



## 4 Overview of Hospitality Sector

### 4.1 Overview:

The hospitality segment in Bhopal has witnessed consistent growth in the last decade. The emergence of tourism focused strategy by state government, educational and business establishment coupled with Religious and Cultural (Film Shooting etc.) offerings has led to the development of various Midscale and Upscale hotels. Additionally, the tourism stature of the city with the presence of various Heritage and Cultural attractions is growing. The tourist attractions in the nearby locations such as Sanchi Stupa, Bhimbetka, Udaygiri and Satpura Tiger Reserve are propelling hospitality demand in the city. Being the capital and an important commercial centre for the state of Madhya Pradesh, the city also caters to national events such as National scale Medical Conference annually, Global Investors Summit, Lokrang Festival, Film Festival, Jagar Samaroh amongst various others.

The establishment of various offices/facilities by national and international manufacturing houses across Automobiles, Soyabean Processing, Cement, Fertilisers, Paper & Pulp, Tyre and Tubes, Gases, Jelly, Filled Telephone Cables, Electronic Goods with companies like Anant Spinning Mills a division of Vardhaman Group, New Bhopal Textile Mills, Bharat Heavy Electricals Limited (BHEL), Omega Industries, etc. and have resulted in increased corporate events in the city leading to travel of senior officials and bureaucrats and thereby enhancing demand in hospitality sector.

Bhopal city has emerged as a significant destination for film and OTT (Over-the-Top) content production. This development can be attributed to several factors such as infrastructure development in the city, diverse and picturistic locations, government support (Film tourism Policy 2025), etc. The surge in demand for upscale hospitality developments in the region can be attributed to the growing film and OTT content production industry, which requires high-end accommodations and amenities for talent, crew, and production teams.

Bhopal, with its rich cultural heritage and breathtaking natural beauty, is emerging as a sought-after destination for weddings. The city's picturesque lakes, majestic palaces, and lush greenery provide a unique and romantic backdrop for couples to exchange their vows. The destination wedding market in Bhopal is growing rapidly, driven by the increasing demand for unique and exotic locations. The city's wedding market is expected to witness significant growth, with a focus on luxury and bespoke experiences, making it an attractive opportunity for hotels, wedding planners, and other stakeholders in the hospitality industry.

The hospitality sector in the city is predominantly categorized by Midscale hotels with limited presence Upper and Upper Upscale Hotels. Major supply is concentrated around the micro-markets of MP Nagar, Hoshangabad Road, Premapura, Shymala Hills etc. Travelers are mostly of domestic origin with limited

foreign tourists visiting Bhopal. Some of the upscale and upper upscale hospitality developments includes Jehan Numa Palace, Noor-Us-Sabah, Courtyard by Marriott, Taj Lakeview and Radisson Bhopal.

#### Market Dynamics of upscale and upper upscale hospitality developments in Bhopal:

- Average Occupancy → ~ 70% - 80%
- Average Room Rate (ARR) → ~ INR 7,500- 8,500 per room per day
- Average Length of Stay (ALOS) → ~ 2 to 3 nights

#### 4.2 Benchmarking:

##### Benchmarking of prominent upscale and upper upscale Hospitality developments in Bhopal:

1. **Courtyard by Marriott:** Courtyard by Marriott, an upscale business hotel, is strategically located in DB City, Arera Hills, Bhopal. Established in the year 2013, this upscale hospitality development offers two banquet halls and one conference room, catering to the diverse needs of both corporate and leisure travelers.

Table 4. 1 Benchmarking – Courtyard by Marriott



Particulars	Details
	
Name of the Development	Courtyard by Marriott
Address	DB City, Arera Hills, Maharana Pratap Nagar
Star Category	5 Star
Number of Keys	160
Average Occupancy (%)	~ 85% to 95%
Average Room Rate (ARR) (INR per room per day)	~ 7,500 to 8,000

Food Charges (INR per person)	~ 1,700 to 2,000
Average Length of Stay (ALOS)	~ 2 – 3 nights
Peak Season	January to April
Average number of events (annually)	160 ~ 180
Source: Research & Market Inputs	

**2. Jehan Numa Palace Hotel:** Jehan Numa Palace Hotel is a heritage property categorized as an upper upscale hospitality developments. The hospitality development commenced its operations in the year 1983. The hotel features a range of 5 versatile event spaces, including:


- i. Darbar (accommodates up to 150 guests)
- ii. Begum Hall (accommodates up to 200 guests)
- iii. Convention Centre (accommodates up to 75 guests)
- iv. Queen Lawn (accommodates up to 250 guests)
- v. Senate Hall (accommodates up to 50 guests)
- vi. Meeting Room (accommodates up to 20 guests)

**Table 4. 2 Benchmarking – Jehan Numa Palace Hotel**

Particulars	Details
	
Name of the Development	Jehan Numa Palace Hotel
Address	Shymla Hills
Star Category	5 Star
Number of Keys	100
Average Occupancy (%)	~ 75% to 85%

Average Room Rate (ARR) (INR per room per day)	~ 7,500 to 8,000
Food Charges (INR per person)	~ 2,500 to 2,800
Average Length of Stay (ALOS)	~ 2 to 3 nights
Peak Season	November to January
Average number of events (annually)	120 ~ 140
Source: Research & Market Inputs	

- 3. Noor-Us-Sabah Palace:** The Noor-us-Sabah palace is an elegant heritage hotel spread across 18 acres facing Bhopal Lake. The hotel houses restaurants providing pan-Asian, Peshawari, and Mughlai cuisine.

Table 4. 3 Benchmarking – Noor-Us-Sabah Palace	
Particulars	Details
	
Name of the Development	Noor-Us-Sabah Palace
Address	VIP Road, Kohefiza
Star Category	Heriatge Hotel
Number of Keys	57
Average Occupancy (%)	~ 75% to 85%
Average Room Rate (ARR) (INR per room per day)	~ 6,500 to 7,000
Food Charges (INR per person)	~ 1,700 to 2,000
Average Length of Stay (ALOS)	~ 2 nights

Peak Season	October to March
Average number of events (annually)	~ 50 to 70
Source: Research & Market Inputs	

4. **Taj Lakefront, Bhopal:** The Taj Lakefront Hotel is situated on the shores of Upper Lake, Bhopal, making it an ideal base for exploring the city's attractions, including the Van Vihar National Park, the State Museum, and the Bhopal Memorial Museum. The hotel offers 152 elegantly designed rooms and suites, each equipped with modern amenities and stunning views of the Upper Lake.

Table 4. 4 Benchmarking – Taj Lakeview Hotel



Particulars	Details
	
Name of the Development	Taj Lakefront Hotel
Address	Bhadbhada Road
Star Category	5 Star
Number of Keys	152
Average Occupancy (%)	~ 75% to 85%
Average Room Rate (ARR) (INR per room per day)	~ 9,000 to 9,500
Food Charges (INR per person)	~ 2,300 to 2,500
Average Length of Stay (ALOS)	~ 2 to 3 nights
Peak Season	October to December, March to May
Average number of events	~ 100 to 120



Source: Research &amp; Market Inputs

5. **Radisson Hotel, Bhopal** The Radisson Hotel, Bhopal is a premier luxury hotel in the heart of Bhopal, offering comfortable accommodations, fine dining options, and a range of amenities and services. The hotel is situated in a prime location, offering easy access to the city's major attractions, business districts, and entertainment venues.

Table 4. 5 Benchmarking – Radisson Hotel

Particulars	Details
	
Name of the Development	Radisson Hotel
Address	Gulmohar Colony, Bawadiya Kalan
Star Category	5 Star
Number of Keys	104
Average Occupancy (%)	~ 70% to 80%
Average Room Rate (ARR) (INR per room per day)	~ 6,500 to 7,000
Food Charges (INR per person)	~ 1,500 to 1,800
Average Length of Stay (ALOS)	~ 2 nights
Peak Season	October to December, February to April
Average number of events	~ 180 to 200
Source: Research & Market Inputs	



### Key Inferences:

The key inferences from the hospitality sector in Bhopal city are as follows:

1. **Growing Demand for Luxury Accommodations:** The proliferation of upscale hotels and resorts in Bhopal indicates a growing demand for luxury accommodations in the city, driven by an increasing number of business travellers, tourists, and high-end leisure seekers. High demand for these developments is owing to the city's image as the preferred location for destination wedding, film and OTT shooting, cultural & business-related events, etc.
2. **Investment in Tourism Infrastructure:** The construction of luxury hotels and resorts in Bhopal implies a strategic investment in tourism infrastructure, aimed at promoting the city as a tourist destination and enhancing its appeal to international visitors.
3. **Epicentre for Film Tourism:** Bhopal has emerged as a favoured location for film shoots and OTT content production, positioning itself as a key hub in the industry. This influx of film activity significantly boosts occupancy rates in upscale and upper-upscale hotels in the region.
4. **Competitive Advantage:** The presence of upscale hospitality developments in Bhopal provides a competitive advantage for the city, enabling it to attract high-end events, conferences, and business meetings, and positioning it as a hub for luxury tourism in the region.
5. **Economic Growth and Urbanization:** The development of upscale hospitality infrastructure in Bhopal suggests that the city is experiencing economic growth and urbanization, with a rising middle class and increasing disposable incomes.

### 4.3 Banqueting, Convention and Exhibition Centres

Bhopal is not only known for its rich history and cultural heritage but also serves as a significant hub for business and tourism. The city's strategic location and comprehensive infrastructure make it an ideal destination for various events, including destination wedding, conventions, and exhibitions.

Bhopal is a coveted destination for weddings, blending rich cultural heritage with modern amenities. Known for its beautiful lakes, historical monuments, and vibrant traditions, the city offers a picturesque backdrop for couples seeking a unique and memorable wedding experience. Bhopal has witnessed an increase in hospitality developments catering to the growing demand for destination weddings. These developments include luxury hotels and resorts that offer extensive facilities, picturesque venues, and comprehensive wedding services to attract couples looking for unique wedding experiences. Some of these prominent hospitality developments catering to the demand for destination wedding are as follows:

- Courtyard by Marriott → Capacity of approx. 75 to 1,000 pax
- MPT Palash Residency → Capacity of approx. 200 to 800 pax.
- Noor-Us-Sabah Palace → Capacity of approx. 40 to 700 pax.
- Jehan Numa Retreat → Capacity of approx. 100 to 250 pax.
- Raddisson Bhopal → Capacity of approx. 800 to 1,200 pax.
- Taj lakeview → Capacity of approx. 40 to 1,200 pax.

The city also boasts several modern facilities that cater to various professional and commercial events, making it an attractive destination for businesses, organizations, and associations. Kushabhau Thakre International Convention Centre previously known as Minto Hall is one of the prominent international convention centre in Bhopal with a seating capacity of approx 800 pax.

As per the information available in public domain, Bhopal city is set to establish its first international convention center by March 2026, marking a significant step forward in the state's efforts to enhance MICE (Meetings, Incentives, Conferences, and Exhibitions) tourism. Developed by Madhya Pradesh Tourism with a budget of approx. INR 100 crore, the new facility will be situated on land adjacent to the historic Minto Hall, now referred to as the Kushabhau Thakre International Convention Centre. This initiative aims to overcome the limitations of the current center, which accommodates only 800 attendees and lacks on-site lodging.

The new convention center will boast an auditorium with a capacity exceeding 2,000 seats, along with accommodations, dining areas, restaurants, and dedicated business and media centers. It will also feature banquet halls, exhibition galleries, and other modern amenities required for hosting large-scale events. This project supports the National Strategy for the MICE Industry, launched by the Ministry of Tourism, Government of India, which aims to establish the country as a leading destination for corporate events and conventions.

In conclusion, Bhopal emerges as a captivating wedding destination, boasting venues strategically located amidst historic palaces and serene lakeside settings. The city's vibrant culture, coupled with diverse culinary offerings, caters to a wide range of guests.

The planned Convention and Exhibition centers are poised to become a pivotal asset for the city's economic development and cultural exchange. With state-of-the-art facilities, strategic locations, and versatility to host diverse events, these venues will not only enhance Bhopal's appeal as a destination for national and international gatherings but also foster industry collaboration.

The ongoing investment in convention centers is expected to have a positive impact on the local economy. By supporting local businesses, enhancing the region's tourism and conference appeal, and establishing Bhopal as a hub for conventions and exhibitions in central India, this development is poised to drive growth and prosperity in the region.

# 5

## FINANCIAL ASSESSMENT

## 5. FINANCIAL ASSESSMENT

### 5.1 Cost and Price Assumptions

The financial assessment outlines the cost and revenue assumptions for a proposed 140 - 160 rooms in an upscale category with banqueting/MICE facilities (Capacity of 1,000 pax) keeping into consideration the applicable building bye laws and other market prevailing assumption indicating the highest and best use of the asset considering no additional permits, change of land use, permissions are taken on the site.

#### 5.1.1 Area Breakup

Table 5. 1: Area Breakup			
Type of Room	Number of Rooms	Net Area (Sq. Ft)	Total Net Area (Sq. Ft.)
Standard	135	387.36	52293.6
Deluxe	7	774.72	5423.04
Executive	5	839.28	4196.4
Presidential	3	1162.08	3486.24
<b>Total Guest Room Area</b>	<b>150</b>		<b>65399.28</b>
Lobby			47613
Additional Public Area			19368
Administrative Offices			6821.84
B.O.H Facilities			57028
Employee Facilities			12912
<b>Total F&amp;B and Service Area</b>			<b>143742.84</b>
<b>Total Area</b>			<b>209142.12</b>
Area requirement for Banqueting/MICE facility			17603.36
<b>Total Built Up Area</b>			<b>226745.48</b>
Source: Client Inputs			

## 5.1.2 Base Assumptions

### Hospitality

Table 5. 2: Revenue Assumptions: – Hospitality & Banqueting			
Revenue Assumptions		Hotel	Banquet
Average Room Rent (ARR) (R\$)/ Per Plate Charges		INR 7,500 – 8,500	INR 2,300 – 2,800
Escalation in ARR	% per annum	5%	5%
Operating Revenues Assumptions			
Food & Beverage Revenue	% of Room Revenue	65% - 75%	90% - 100%
Minor Operating Department Revenue	% of Room Revenue	5% - 10%	0%
Spa & Health Club Revenue	% of Room Revenue	10% - 15%	0%
Other Revenue	% of Room Revenue	3% - 7%	5% - 10%
Operating Expenditure Assumptions			
Room Cost	% of Room Revenue	5% - 10%	0%
Food & Beverage Cost	% of F&B Revenue	35% - 45%	35% - 45%
Minor Operating Department Cost	% of MOD Revenue	35% - 45%	0%
Spa & Health Club Cost	% of Spa & Health Club Revenue	35% - 45%	0%
Other Costs	% of Other Revenue	30% - 40%	5% - 10%
Other Overhead Expenditure Assumptions			
Administrative Expenditure	% of Total Revenue	3% - 5%	0%
Maintenance Expenditure	% of Total Revenue	2% - 4%	2% - 4%
Payroll Expenses	% of Total Revenue	15% - 20%	5% - 10%
Operating Expenses	% of Total Revenue	10% - 15%	0%
Heat, Light & Power Expenses	% of Total Revenue		0%
Marketing Expenditure	% of Total Revenue	1% - 3%	1% - 3%
Base Management Fee	% of Total Revenue	1% - 3%	1% - 3%
Management Incentive Fee	% of Gross Operating Profit	2% - 5%	2% - 5%
<ul style="list-style-type: none"> <li>Costing and ARR and per plate charges for comparable hotels have been calculated based on prevailing market conditions and by taking into consideration relevant benchmarks of similar positioning i.e., Courtyard Marriott, Taj Lakefront, Jehan Numa Resort, Radisson Hotel, etc. across Bhopal.</li> <li>Relevant discounts and premium have been taken into consideration for factoring the location, accessibility, profile of the locations etc.</li> </ul>			



Source: Research & Market Inputs

### Construction Cost

Table 5. 3: Cost Assumptions – Hospitality & Banqueting		
Construction Cost	INR Mn per room	9 – 10
Escalation in Construction Cost	Percentage	5%

### 5.1.3 Schedule

#### Hospitality

Table 5. 4: Construction Phasing					
Component	2026	2027	2028	2029	2030
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Construction Phasing</b>					
<b>Hotel</b>	33.33%	33.33%	33.33%	0%	0%
<b>Banquet</b>	33.33%	33.33%	33.33%	0%	0%

Table 5. 5: Occupancy										
Component	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Occupancy</b>										
<b>Hotel</b>	0%	0%	0%	40%	45%	50%	70%	75%	75%	75%
<b>Banquet (Number of Events annually)</b>	0	0	0	80	88	97	106	117	129	142

## 5.1.4 Consolidated Cash Flows

Table 5. 6: Consolidated EBITDA Net Cash Flows (In INR Mn.)	2026	2027	2028	2029	2030
	Year 1	Year 2	Year 3	Year 4	Year 5
Hospitality					
Hospitality - Development Cost					
Hotel	(483)	(507)	(532)		
Banquet	(7)	(8)	(8)		
Hospitality - Operating Cost					
Hotel	(29)	(30)	(32)	(343)	(403)
Banquet	(0.4)	(0.5)	(0.5)	(109)	(124)
Hospitality - Revenues					
Hotel	0	0	0	467	552
Banquet	0	0	0	204	235
Total	(519.23)	(545.19)	(572.45)	219.30	260.59
<i>*Payouts to authority before commencing operations</i>					

Consolidated EBITDA Net Cash Flows (In INR Mn.)	2031	2032	2033	2034	2035
	Year 6	Year 7	Year 8	Year 9	Year 10
Hospitality					
Hospitality - Development Cost					
Hotel					
Banquet					
Hospitality - Operating Cost					
Hotel	(468)	(681)	(764)	(801)	(840)
Banquet	(142)	(160)	(183)	(211)	(243)
Hospitality - Revenues					
Hotel	644	947	1,065	1,119	1,174
Banquet	272	314	363	419	484
Total	306.68	420.43	480.97	525.46	575.35

Consolidated EBITDA Net Cash Flows (In INR Mn.)	2045	2055	2065	2075	2085	2095
	Year 20	Year 30	Year 40	Year 50	Year 60	Year 70
Hospitality						
Hospitality - Development Cost						
Hotel						
Banquet						
Hospitality - Operating Cost						
Hotel	(1,368)	(2,229)	(3,630)	(5,914)	(9,633)	(15,690)
Banquet	(395)	(644)	(1,049)	(1,709)	(2,784)	(4,535)
Hospitality - Revenues						
Hotel	1,913	3,116	5,076	8,268	13,468	21,938
Banquet	788	1,283	2,091	3,405	5,547	9,035
Total	937.19	1,526.59	2,486.65	4,050.48	6,597.81	10,747.14

## 5.1.5 Free Cash Flow to Equity Shareholders

Table 5.7: Free Cash Flow to Equity Shareholders (In INR Mn.)	2026	2027	2028	2029	2030
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>EBITDA</b>	<b>(519.23)</b>	<b>(545.19)</b>	<b>(572.45)</b>	<b>219.30</b>	<b>260.59</b>
<i>Less: Interest</i>	(12.70)	(37.64)	(62.16)	(69.30)	(61.37)
<i>Less: Tax</i>	-	-	-	(31.99)	(38.59)
<i>Add: Debt Addition</i>	212.19	202.94	202.94	-	-
<i>Less: Repayment</i>	-	-	(40.59)	(66.08)	(51.14)
<b>Free Cash Flow to Equity</b>	<b>(319.74)</b>	<b>(379.89)</b>	<b>(472.26)</b>	<b>51.94</b>	<b>109.50</b>



Free Cash Flow to Equity Shareholders (In INR Mn.)	2031	2032	2033	2034	2035
	Year 6	Year 7	Year 8	Year 9	Year 10
<b>EBITDA</b>	<b>306.68</b>	<b>420.43</b>	<b>480.97</b>	<b>525.46</b>	<b>575.35</b>
<i>Less: Interest</i>	(55.23)	(49.84)	(42.25)	(33.80)	(27.04)
<i>Less: Tax</i>	(49.35)	(110.19)	(134.00)	(152.50)	(172.29)
<i>Add: Debt Addition</i>	-	-	-	-	-
<i>Less: Repayment</i>	(46.03)	(62.13)	(70.42)	(56.34)	(225.34)
<b>Free Cash Flow to Equity</b>	<b>156.07</b>	<b>198.26</b>	<b>234.30</b>	<b>282.83</b>	<b>150.68</b>

Free Cash Flow to Equity Shareholders (In INR Mn.)	2045 Year 20	2055 Year 30	2065 Year 40	2075 Year 50	2085 Year 60	2095 Year 70
<b>EBITDA</b>	<b>937.19</b>	<b>1,526.59</b>	<b>2,486.65</b>	<b>4,050.48</b>	<b>6,597.81</b>	<b>10,747.14</b>
<i>Less: Interest</i>	-	-	-	-	-	-
<i>Less: Tax</i>	(308.18)	(514.14)	(849.63)	(1,396.09)	(2,286.23)	(3,736.17)
<i>Add: Debt Addition</i>	-	-	-	-	-	-
<i>Less: Repayment</i>	-	-	-	-	-	-
<b>Free Cash Flow to Equity</b>	<b>629.01</b>	<b>1,012.44</b>	<b>1,637.02</b>	<b>2,654.39</b>	<b>4,311.58</b>	<b>7,010.97</b>

WACC	Cost	Proportion
Debt	12%	40%
Equity	24%	60%
WACC Rate	19.20%	

Based on assumptions and analysis, the debt repayment is projected to be completed by the tenth year.

### 5.1.6 Project IRR

Based on the revenue and cost assumptions and analysis, the project has an Internal Rate of Return (Post tax Project IRR) approximately 19.2%.

The above financial results are subject to realisation of all underlying assumptions.

### 5.1.7 Summary of the Financial Structure

To conclude financial assessment exercise, the following financial model shall be implemented for the project including Annual Concession Fee and Revenue Share.

Table 5. 7: Summary of the Financial Structure	
Parameters	Particulars
Project Consideration	Annual Concession Fee (the “ACF”) of INR 3 Crores increasing at a compounding rate of 5% p.a. excluding GST and any other taxes applicable from time to time.  Revenue Share – Percentage of Gross Revenue as quoted by selected bidder excluding GST and any other taxes applicable from time to time (subject to a reserve price of 3% of Gross Revenue for each financial year).
Bid Parameter	Revenue Share of the topline of revenue stream – in % terms
Construction Period	3 years
Concession Period	60 years (extendable by a period of 10 years)

Keeping in consideration the highest and best use of the asset and market led assumption the project is expected a post - tax project IRR of 19.2%. However, the financial results are subject to the realization of all underlying assumptions, and the project's success will depend on various factors, including market demand, competition, and operational efficiency.



# ANNEXURES

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- ➔ In addition to the above elements, the feasibility assessment contained in the Report is heavily dependent on wider macroeconomic factors and may be impacted by evolving conditions and risks at a local, regional and/or global level. These evolutions are difficult to forecast accurately and coupled with the lack of transparency in local real estate markets, subject our analysis to a greater degree of uncertainty than in more stable or transparent markets. As such, it is recommended that as required, assessments are updated on a regular basis in order to take into account any potential shifts in market trends and dynamics which could impact the feasibility of the subject development
- ➔ We draw your attention to current heightened geopolitical tensions, low economic growth in many major countries, and a "higher for longer" interest rate sentiment which have increased the potential

for constrained credit markets, negative capital value movements and continued volatility in some property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect any heightened level of volatility and potential for changing market conditions. Lending and investment caution is advised in this regard. It is important to note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how markets respond to evolving events.

- ➔ The value of real estate developments is traditionally volatile and can be subject to rapid changes of value in short timeframes. Development projects appeal to specific types of purchasers and can be significantly impacted by many factors such as broader economic conditions, fluctuating levels of supply and demand for the product, changes in building costs and the availability and cost of development finance. All these (and more) factors could have a significant impact on the value and demand for the subject property. Going forward there will be several key factors impacting on the viability of some development projects and their underlying land values. Key concerns are fluctuations in construction costs, substantial new supply levels and easing investor demand for final product. In addition, we also note that ongoing monitoring and governance of banking systems may significantly restrict development capital and increase the cost of development finance.

As experienced in previous market cycles, the value of real estate developments can undergo rapid and significant price corrections, as supply, demand and cost factors change. Any Reliant Party is strongly advised to consider this inherent risk in their investment and lending decisions. Lending and investment caution is advised in this regard.

The applicant's ability to service debt should also be carefully considered, should development opportunities and settlements be extended, construction/funding costs increase, or sales rescinded.

- ➔ Although general increases in material costs have stabilised since 2022, some specialised supply chains and construction-related labour costs remain volatile with the potential for further increases. This has created uncertainty in cost estimates, which is likely to continue.

In addition, there are significant risks that delays may be encountered in sourcing specialised materials and labour, and as such, the potential for ongoing cost escalations and delays is high. This may place additional pressure on developer and contractor profit margins and development viability.

These inherent risks should therefore be given careful consideration in lending and investment decisions. Caution is advised in this regard.

- ➔ All financial working performed by the in-house consultants have been undertaken with the assumption that a single bidder will demolish and develop the entire MPT Lakeview Residency Hotel located at the subject site which admeasures approx. 7.16 acres. The said developer shall develop the land parcel and operate the assets constructed thereon for the stipulated concession period as the case may be.
- ➔ The Development Control Regulations (DCR), site area, and other site ownership-related documents and information mentioned herein have been provided by the client. The in-house consultants have



included this information in accordance with the client's directions. The in-house consultants have relied on the accuracy, completeness, and authenticity of this information as shared by the client.

**Material Market / Recommendations Uncertainty from Novel Coronavirus**

- ➔ The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on the 11th of March 2020, is causing heightened uncertainty in both local and global market conditions. Global financial markets have seen steep declines since late February 2020 largely on the back of the pandemic over concerns of trade disruptions and falling demand. Many countries globally had implemented strict travel restrictions and a range of quarantine and "social distancing" measures.
- ➔ Given the ongoing global health landscape and the potential for future pandemics, market activity continues to be subject to uncertainty. As of our report date in 2024, we consider that previous market evidence may have limited relevance for comparison purposes, informing our opinions and recommendations
- ➔ Our analysis is conducted in the context of potential pandemic-related disruptions, which may impact market stability and property valuations. Consequently, our recommendations are presented with consideration of this "material uncertainty." Less certainty and a higher degree of caution should be attached to our recommendations than would normally be the case.
- ➔ For the avoidance of doubt, The inclusion of this "material uncertainty" declaration is intended to provide transparency regarding the potential risks and challenges associated with pandemic-related disruptions. It does not invalidate the recommendations or the report.
- ➔ The in-house consultants remains fully committed to delivering services in a diligent and reasonable manner, considering the potential implications of pandemics on market conditions. Potential impacts may include employee movement restrictions, quarantine requirements, or limited access to essential resources. We anticipate that such circumstances may lead to delays in service delivery, which would be beyond our control. We will strive to minimize any impact and appreciate your cooperation in navigating these challenges.



**THANK YOU**