

March 21, 2025

Chalet Hotels Limited: Change in limits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long-term fund based Term Loans	1,802.39	1,595.64	[ICRA]A+(Positive); Outstanding
Long-term Fund-based Limits	138.90	373.53	[ICRA]A+(Positive); Outstanding
Short-term Non-fund Based Limits	60.00	60.00	[ICRA]A1; Outstanding
Long-term/Short-term – unallocated facilities	944.71	916.83	[ICRA]A+(Positive)/[ICRA]A1; Outstanding
Total	2,946.00	2,946.00	

*Instrument details are provided in Annexure-I

Rationale

This rationale is being released to convey the change in the lender wise facilities of the rated limits, based on the latest information received from the entity.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Hotel Industry Realty - Lease Rental Discounting (LRD) Realty – Commercial/Residential/Retail
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered consolidated financials of CHL.

About the company

Chalet Hotels Limited is part of the reputed K Raheja Corp Group, which has diversified business interests across real estate development (residential and commercial), hospitality and retail segments. The company's existing hotel properties include The Westin Mumbai Powai (604 keys; owned), Lakeside Chalet, Mumbai-Marriott Executive Apartments, Powai (173 keys; owned), Four Points by Sheraton, Navi Mumbai (152 keys; owned), The Westin Hyderabad (427 keys; owned), The Westin HITEC City Hyderabad (168 keys; leased), JW Marriott Mumbai Sahar (588 keys; owned), Marriott Hotel Whitefield, Bengaluru (391 keys; owned), Novotel Pune Nagar Road (311 keys; owned), The Dukes Retreat, Lonavala (80 keys; owned), Courtyard by Marriott, NCR (158 Keys; owned) and The Westin Resort & Spa, Himalayas (141 keys, owned). All the hotels except, Four Points by Sheraton (FPS), Vashi, Novotel, Pune (managed by the Accor Hotels) and The Dukes Retreat, Lonavala are run under management contracts with Marriott International Inc.

The company has four operational CRE properties of 2.4 million sq. ft, of which three properties of approximately 1.8 million sq. ft. were commenced in FY2024 and Q1 FY2025. CHL is constructing another CRE property of 0.9 million sq. ft. in Powai, Mumbai. CHL also has an ongoing residential project at Koramangala, Bengaluru.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument		Current rating (FY2025)				Chronology of rating history for the past 3 years				
		Type	Amount rated (Rs. crore)	Date & rating in FY2025			Date & rating in FY2024		Date & rating in FY2023	Date & rating in FY2022
				March 21, 2025	October 14, 2024	June 04, 2024	March 11, 2024	July 10, 2023	Sep 29, 2022	July 19, 2021
1	Term loans	Long term	1,595.64	[ICRA]A+ (Positive)	[ICRA]A+ (Positive)	[ICRA]A (Positive)	[ICRA]A- (Positive)	[ICRA]A- (Positive)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)
2	Fund based limits	Long term	373.53	[ICRA]A+ (Positive)	[ICRA]A+ (Positive)	[ICRA]A (Positive)	[ICRA]A- (Positive)	[ICRA]A- (Positive)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)
3	Non-fund based limits	Short term	60.00	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A2+	[ICRA]A2+	[ICRA]A2	[ICRA]A2
4	Unallocated limits	Long term/ Short term	916.83	[ICRA]A+ (Positive)/ [ICRA]A1	[ICRA]A+ (Positive)/ [ICRA]A1	[ICRA]A (Positive)/ [ICRA]A1	[ICRA]A- (Positive)/ [ICRA]A2+	[ICRA]A- (Positive)/ [ICRA]A2+	[ICRA]BBB+ (Stable)/ [ICRA]A2	[ICRA]BBB+ (Negative)/ [ICRA]A2

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term fund based – term loans	Simple
Long-term fund based limits	Simple
Short-term non-fund based limits	Very Simple
Long-term / Short-term – Unallocated limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loans	FY2017-FY2024	NA	FY2037	1,595.64	[ICRA]A+ (Positive)
NA	Cash Credit	NA	NA	NA	373.53	[ICRA]A+ (Positive)
NA	LC / BG	NA	NA	NA	60.00	[ICRA]A1
NA	Unallocated	NA	NA	NA	916.83	[ICRA]A+ (Positive)/[ICRA]A1

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership %	Consolidation Approach
Chalet Hotels & Properties (Kerala) Private Limited	90.00%	Full consolidation
Chalet Airport Hotel Private Limited	100.00%	Full consolidation
Sonmil Industries Private Limited	100.00%	Full consolidation
The Dukes Retreat Private Limited	100.00%*	Full consolidation
Ayushi and Poonam Estates LLP	100.00%	Full consolidation
Mahananda Spa and Resorts Private Limited	100.00%	Full consolidation

Source: Company; * 82.28% is held by Chalet Hotels Limited, and the remaining are held by Sonmil Industries Private Limited

ANALYST CONTACTS

Shamsher Dewan

+91 124 4545 328

shamsherd@icraindia.com

Vinutaa S

+91 44 4596 4305

vinutaa.s@icraindia.com

Sriraman Mohan

+91 44 4596 4316

sriraman.mohan@icraindia.com

K. Srikumar

+91 44 4596 4318

ksrikumar@icraindia.com

Nilesh Kumar Jain

+91 44 4596 4312

nilesh.jain2@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



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