

January 29, 2024

InterGlobe Hotels Private Limited: Change in Limits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund based – Term loans	815.06	818.23	[ICRA]A- (Stable); Outstanding
Short-term – Fund based – Cash Credit	25.00	0.00	-
Long-term – Fund based – Cash Credit	0.00	25.00	[ICRA]A- (Stable); Outstanding
Long-term– Unallocated Limits	9.94	0.00	-
Long-term/Short-term – Unallocated Limits	-	6.77	[ICRA]A-(Stable)/ [ICRA]A2+; Outstanding
Total	850.00	850.00	

*Instrument details are provided in Annexure-I

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from InterGlobe Hotels Private Limited (IGH).

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

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Hotels
Parent/Group support	IGH's parentage: IGH is a 60:40 JV of the InterGlobe Group and the Accor Group. The ratings assigned to IGH factor in the very high likelihood of its JV partners extending financial support to it because of its strategic importance and close business linkages among them. ICRA also expects the promoters to be willing to extend financial support to IGH out of their need to protect their reputation from the consequences of a Group entity's distress. There also exists a consistent track record of the promoters extending timely financial support to the company, whenever a need has arisen.
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of IGH. As on December 31, 2023, the company had three subsidiaries that are enlisted in Annexure-2.

About the company

IGH, a 60:40 JV between InterGlobe Enterprises Private Limited (IGE, along with its affiliates) and Accor SA, was established in 2004 to develop the Ibis network of hotels in India, Nepal, Sri Lanka and Bangladesh. The company plans to develop 23 hotels (22 budget hotels under the Ibis brand and one upscale hotel under the Novotel brand) in India. Of these, 21 hotels (~3,790 keys) were operational as of December 31, 2023. IGH expects to have a cumulative inventory of ~4,145 rooms in the next two years across India.

The company's 40% stakeholder, Accor, is a leading player in the global hospitality industry. IGE is one of the promoters of InterGlobe Aviation Limited (IAL), which owns the majority stake in InterGlobe Aviation Limited, India's largest airline with

~60% market share (as of December 2023). IGE, also an established player in aviation management, travel distribution services and ground handling services, is wholly owned by Mr. Rahul Bhatia and family.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument		Current Rating (FY2024)				Chronology of Rating History for the past 3 years					
		Type	Amount Rated (Rs. Crore)	Amount Outstanding as of December Dec 31, 2023 (Rs. crore)	Date & Rating in FY2024	Date & Rating in FY2023			Date & Rating in FY2022		Date & Rating in FY2021
						Jan 29, 2024	Mar 30, 2023	Mar 20, 2023	Jun 29, 2022	Nov 25, 2021	
1	Fund based – Term loans	Long term	818.23	696.05	[ICRA]A-(Stable)	[ICRA]A-(Stable)	[ICRA]A-(Stable)	[ICRA]BB B+(Stable)	[ICRA]BB B+(Stable)	[ICRA]BB B+(Negative)	[ICRA]A-(Negative)
2	Fund Based – Cash credit	Short-term	-	-	-	[ICRA]A2+	-	-	-	-	-
3	Fund Based – Cash credit	Long term	25.00	-	[ICRA]A-(Stable)	-	-	-	-	-	-
4	Unallocated Limits	Long term and short term	6.77	-	[ICRA]A-(Stable)/[ICRA]A2+	-	-	-	-	-	-
5	Unallocated Limits	Long term	-	-	-	[ICRA]A-(Stable)	[ICRA]A-(Stable)	[ICRA]BB B+(Stable)	[ICRA]BB B+(Stable)	[ICRA]BB B+(Negative)	[ICRA]A-(Negative)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term – Fund Based – Term Loans	Simple
Long Term– Fund based – Cash Credit	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 Loan-1	FY2016	--	FY2026	40.86	[ICRA]A- (Stable)
NA	Term Loan-2	FY2016	--	FY2026	15.96	[ICRA]A- (Stable)
NA	Term Loan-3	FY2016	--	FY2026	40.11	[ICRA]A- (Stable)
NA	Term Loan-4	FY2016	--	FY2026	9.36	[ICRA]A- (Stable)
NA	Term Loan-5	FY2016	--	FY2026	35.16	[ICRA]A- (Stable)
NA	Term Loan-6	FY2016	--	FY2033	50.10	[ICRA]A- (Stable)
NA	Term Loan-7	FY2017	--	FY 2031	35.82	[ICRA]A- (Stable)
NA	Term Loan-8	FY2022	--	FY 2035	55.00	[ICRA]A- (Stable)
NA	Term Loan-9	FY2017	--	FY2032	30.57	[ICRA]A- (Stable)
NA	Term Loan-10	FY2016	--	FY2032	26.07	[ICRA]A- (Stable)
NA	Term Loan-11	FY2016	--	FY2032	47.97	[ICRA]A- (Stable)
NA	Term Loan-12	FY2022	--	FY2035	80.00	[ICRA]A- (Stable)
NA	Term Loan-13	FY2022	--	FY2035	146.25	[ICRA]A- (Stable)
NA	Term Loan-14	FY2023	--	FY2037	130.00	[ICRA]A- (Stable)
NA	Term Loan-15	FY2024	--	FY2035	75.00	[ICRA]A- (Stable)
NA	Fund Based Limits	--	--	--	25.00	[ICRA]A- (Stable)
NA	Unallocated	NA	NA	--	6.77	[ICRA]A- (Stable)/[ICRA]A2+

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	IGH Ownership	Consolidation Approach
InterGlobe Hotels Private Limited	Rated entity	Full Consolidation
Isha Steel Treatment Private Limited	100%	Full Consolidation
Milagro Infrastructure Private Limited	100%	Full Consolidation
Ashford Properties Private Limited	66%	Full Consolidation

ANALYST CONTACTS

Shamsher Dewan

+91 124 4545 328

shamsherd@icraindia.com

Srikumar Krishnamurthy

+91 44 4596 4318

ksrikumar@icraindia.com

Rohan Kanwar Gupta

+91 124 4545 808

rohan.kanwar@icraindia.com

Debadrita Mukherjee

+08 04 3326 4167

debadrita.mukherjee@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

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

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



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.