

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	Type	Amount Rated (Rs. Crore)	Current Rating (FY2024)		Chronology of Rating History for the past 3 years					
			Amount Outstanding as of 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	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	-	-	-	[ICRA]A2+	-	-	-	-	-
3	Fund Based – Cash credit	25.00	-	[ICRA]A-(Stable)	-	-	-	-	-	-
4	Unallocated Limits	6.77	-	[ICRA]A-(Stable)/[ICRA]A2+	-	-	-	-	-	-
5	Unallocated Limits	-	-	-	[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

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