

March 17, 2025

## Srilanand Mansions Private Limited: Rating assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	219.46	[ICRA]A (Stable); assigned
<b>Total</b>	<b>219.46</b>	

\*Instrument details are provided in Annexure I

### Rationale

ICRA has taken a consolidated view of Triguna Hospitality Ventures (India) Private Limited (THV) along with its subsidiaries Srilanand Mansions Private Limited (SMPL), Accent Hotels Private Limited (AHPL) and Techpark Hotels Private Limited (THPL) (collectively referred to as Group) due to significant operational and financial linkages between the entities.

The rating assignment factors in the healthy operating performance of THV's hotel assets, reflected in the healthy operating metrics over the past few years and the expectation of the same sustaining going forward. This is likely to help the company generate significant cash accruals. Occupancy levels and average room rent (ARR) of THV's hotel portfolio saw healthy traction in FY2024 and 9M FY2025; while occupancy across the portfolio hovered at ~70-72% during FY2022–9M FY2025, ARRs improved to ~Rs. 5,800 in FY2024 and further to ~Rs. 6,000 in 9M FY2025 from ~Rs. 5,400 in FY2023.

The Group has recorded a healthy improvement in earnings, supported by the improvement in operating metrics and cost-efficiency measures undertaken over the past few years. The healthy performance has been driven by pent-up demand, staycations, weddings and the resumption of corporate travel. Going forward, a favourable demand-supply dynamic, wherein healthy demand is expected with increasing in-person engagements by corporates, big-ticket conferences and seminars, as well as corporate offsite trips that encompass meetings, incentives, conferences, and exhibitions (MICE) activities, coupled with the lack of significant capacity addition in the upscale and medium scale hotels in Tier-1 cities such as Bangalore and Chennai (where the company operates its hotels), are expected to aid in the average room rate (ARR) growth without moderation in occupancy. Such factors are expected to result in healthy growth in operating income for the entity, which coupled with typically high operating leverage in the hotel industry, is expected to help sustain healthy margins. Furthermore, with the accelerated pace of international commercial travel, the industry is expected to receive a further boost to ARRs across its portfolio of properties.

The assigned rating also favourably factors in THV's strong parentage—the Accor Group, InterGlobe Group and APHV India Investco Pte Ltd. (a JV between GIC RE and Host Hotels and Resorts)—with a track record of extending timely financial support. Further, its strong parentage lends THV significant financial flexibility with its lenders for raising funds at competitive terms. While healthy performance and cash flows provide sufficient liquidity for the medium term, ICRA takes comfort from THV's access to need-based funding support from its promoters. The rating is further supported by the favourable location of the properties (Chennai OMR, Chennai SIPCOT and Bangalore ORR, Bellandur) with a strong catchment area, operations under Accor's well-recognised international brands—Novotel and Ibis—and healthy revenue diversification through food and beverage (F&B) outlets, large sized banquet halls and meeting rooms.

The rating, however, remains constrained by the cyclical nature of the hospitality industry, with revenue generation exposed to seasonality, exogeneous shocks as well as to the overall macroeconomic performance. THV has significant debt servicing obligations over the medium term and despite' the expectation of a healthy improvement in profits, its debt coverage indicators are likely to remain at moderate levels over the medium term. ICRA draws comfort from the prepayment of Group debt conducted in Q2 FY2025, wherein the company prepaid ~Rs. 50 crore of debt obligations and is free from any repayment obligations until Q4 FY2026. The management further expects to deleverage by utilising accrued cash in the near term.

Furthermore, the rating also reflects the geographical concentration of its properties in only two cities with its property's footprint existing in the micro market of Chennai OMR and SIPCOT and the micro market of Bangalore ORR, Bellandur, exposing it to adversities in the concerned local market and competition from other properties in the vicinity.

The Stable rating outlook factors in an expectation of steady operating performance of THV's hotels over the medium term. It also reflects ICRA's expectation that THV will continue to be of strategic importance for its promoters as well as derive need-based financial support.

### Credit strengths

#### **Benefits accruing from strong promoters with extensive experience in the hospitality industry; access to financial support –**

Incorporated in March 2010, THV is promoted by a tripartite JV of the Accor Group, the InterGlobe Group and APHV India Investco Pte Limited (a JV between GIC RE and Host Hotels and Resorts Inc.). Accor SA is a multinational hospitality company with presence in over 110 countries with more than 5,300 hotels. InterGlobe Group has diversified interests across civil aviation (IndiGo airlines), hospitality and real estate, among several other industries. GIC RE is the real estate arm of the Singapore sovereign wealth fund. The promoters bring extensive experience in the hospitality industry to the JV; also, all the JV partners enjoy comfortable credit profiles and lend healthy financial support to THV.

**Operational synergies through association with Accor in favourable locations –** THV's properties are operated under Accor's deluxe Novotel (548 rooms) and Ibis (500 rooms) brands and benefit from access to its global distribution system (GDS), strong loyalty programmes and corporate relationships, allowing the hotels to have better rates and occupancies. Further, having an experienced operator also helped THV quickly implement various cost rationalisation measures and adopt best practices for customer and employee safety, such as during the Covid-19 pandemic.

**Healthy sequential growth in operating metrics –** All properties under THV's portfolio have benefitted from steady demand in FY2024 and 9M FY2025, with YoY growth in occupancy levels and ARRs, resulting in higher revenue per available room (RevPAR). Going forward, operating metrics are expected to improve further and support revenue growth in the near to medium term, given the strong demand and lag in supply.

### Credit challenges

**Cyclical industry; revenues susceptible to general economic slowdown and exogenous shocks –** Given the discretionary nature of spending, the Indian hospitality industry is susceptible to macroeconomic conditions, tourist movement and several exogenous factors, leading to inherent cyclicity. Global and domestic economic conditions will remain a key monitorable for THV.

**Debt coverage metrics remain at moderate levels; gradual improvement expected in the same –** THV's leverage metrics remain muted (~Rs. 332 crore as of February 2024) characterised by significant debt servicing obligations over the medium term. Despite the expectation of a healthy recovery in profits, its debt coverage indicators are likely to remain at moderate levels over the medium term. ICRA draws comfort from the prepayment of Group debt conducted in Q2 FY2025, wherein the company prepaid ~Rs. 50 crore of debt obligations and is free from any repayment obligations until Q4 FY2026. The management further expects to deleverage by utilising accrued cash in the near term.

**Geographical concentration of revenues and competitive pressures –** The company remains exposed to any adverse region-specific development and risks due to the geographic concentration of its room inventory in only two cities with its property's footprint existing in the micro market of Chennai OMR and SIPCOT and the micro market of Bangalore ORR, Bellandur. This may exert pressure on THV's occupancy levels and/or restrict the pricing potential of its properties. However, ICRA derives comfort from the favourable demand expectations in the industry, coupled with a lack of significant capacity addition in the upscale and medium-scale hotels in Tier-1 cities such as Bangalore and Chennai, which are expected to support THV's operational metrics over the medium term.

## Liquidity position: Strong

THV's liquidity is expected to remain strong, aided by the expectation of healthy cash flows from operations (~Rs. 40-50 crore/annum) and healthy cash and liquid investments (~Rs. 106 crore as of 25th February 2025). Against the liquidity available, the company has no debt servicing commitments till Q4 FY2026 with prepayments undertaken in Q2 FY2025, Rs. 8.4 crore of repayment obligation in Q4 FY2026 and Rs. 27 crore in FY2027. The capex is expected to remain largely limited to maintenance and soft refurbishment purposes. In addition, ICRA expects the company to continue benefitting from the significant financial flexibility owing to its strong parentage, which supports its refinancing options.

## Rating sensitivities

**Positive factors** – A sustained improvement in operating performance leading to improvement in leverage and debt coverage metrics could be a trigger for a favourable rating movement. Any improvement in the credit profile of its promoters (JV partners) could also favourably impact the rating.

**Negative factors** – Pressure on the rating could arise due to any material and sustained weakness in earnings, leading to a deterioration in the credit metrics. Specific credit metrics that could lead to a rating downgrade would include a DSCR lower than 1.5 times on a sustained basis. Any weakening in the credit profile of its promoters (JV partners) also remains a key monitorable.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Hotels</a>
Parent/Group support	THV is promoted as a tripartite JV of Accor Group (32% stake), InterGlobe Group (32%) and APHV India Investco Pte Limited (36%; a JV between GIC RE and Host Hotels and Resorts Inc.). The rating assigned factors in the very high likelihood of its parent entities extending financial support to it because of its strategic importance and close business linkages between them. ICRA expects the promoters to be willing to extend financial support to THV out of the need to protect their reputation from the consequences of a Group entity's distress. There is also a consistent track record of the promoters extending timely financial support to THV, whenever a need has arisen.
Consolidation/Standalone	A consolidated view of Triguna Hospitality Ventures (India) Private Limited (THV) along with its subsidiaries Srilanand Mansions Private Limited (SMPL), Accent Hotels Private Limited (AHPL) and Techpark Hotels Private Limited (THPL) has been taken due to significant operational and financial linkages between the entities. The rating is based on the consolidated financials of THV. Refer to Annexure II.

## About the company

Incorporated in 2010, Triguna Hospitality Ventures (India) Private Limited is a tripartite joint venture between Interglobe Enterprises Private Limited (32% share from Mr. Rahul Bhatia, his family and affiliates), AAPC Singapore Pte Ltd (subsidiary of Accor SA; 32% share) and APHV India Investco Pte Ltd (with 36% share, it is the Indian arm of Pacifica Partners, a JV between GIC RE (real estate investment arm of Government of Singapore) and Host Hotels and Resorts).

The company is the holding entity for five hotels with 1,048 rooms, housed under its three wholly owned subsidiaries viz. Techpark Hotels Private Limited (THPL-owns Novotel (215 rooms) and Ibis (311 rooms) at Bangalore), Accent Hotels Private Limited (AHPL-owns Novotel (180 rooms) at SIPCOT, Chennai) and Srilanand Mansions Private Limited (SMPL-owns Novotel (153 rooms) and Ibis (189 rooms) at Chennai). All the hotels are operational, with hotels under Techpark Hotels Private Limited commenced operations in CY2011, Srilanand Mansions Private Limited in CY2017 and Accent Hotels Private Limited in CY2015.

### Key financial indicators (audited)

THV (consolidated)	FY2023	FY2024
Operating income	199.2	208.2
PAT	4.8	18.4
OPBDIT/OI	35.9%	35.8%
PAT/OI	2.4%	8.8%
Total outside liabilities/Tangible net worth (times)	1.9	1.9
Total debt/OPBDIT (times)	4.8	5.1
Interest coverage (times)	1.8	2.0

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

### Rating history for past three years

Current (FY2025)					Chronology of rating history for the past 3 years					
FY2025					FY2024		FY2023		FY2022	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term Loan	Long Term	219.46	Mar 17, 2025	[ICRA]A (Stable)	-	-	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based – Term loan	Simple

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	FY2017	9.25%	FY2035	219.46	[ICRA]A (Stable)

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
Triguna Hospitality Ventures (India) Private Limited	Parent Entity	Full consolidation
Srilanand Mansions Private Limited	100% (held by THV)	Full consolidation
Accent Hotels Private Limited	100% (held by THV)	Full consolidation
Techpark Hotels Private Limited	100% (held by THV)	Full consolidation

Source: Company Data

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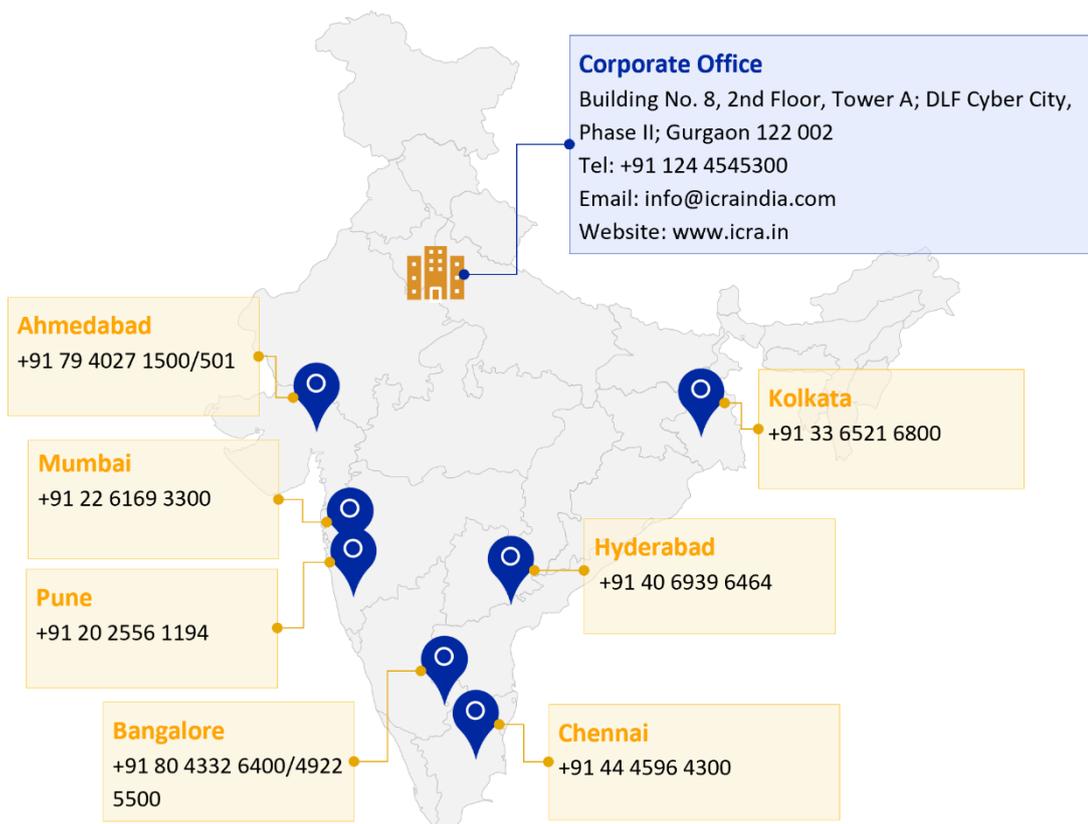
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