

June 24, 2025

Annakoot Properties Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term Fund-based – Term loans	68.68	55.50	[ICRA]BBB- (Stable); Reaffirmed
Long-term – Unallocated	1.32	-	-
Total	70.00	55.50	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation of the bank lines of Annakoot Properties Private Limited (APPL) factors in its strong parentage as it a wholly-owned subsidiary of Trishul Buildtech & Infrastructure Private Limited (TBIPL) and a part of the larger, Bangalore-based MRG Group. The Group has been in existence for over three decades and is involved in hospitality and real estate businesses. The rating also draws comfort from the favourable location and established position of the property in the Mumbai market. APPL's credit profile is expected to remain supported by the Stable outlook for the hospitality industry, the hotel's strategic location and timely and adequate financial support from the MRG Group, as and when required, going forward.

The property has been operational for close to a decade. Its established nature along with the central location has aided it in attracting corporate travellers, meetings, incentives, conferences and exhibitions (MICE), and other transient passengers. APPL reported revenues of Rs. 43.2 crore in FY2025, similar to FY2024, given its high occupancy rates. The operating profit margin (OPM) of the company marginally moderated to 29.9% in FY2025 from 32.6% in FY2024 mainly on account of increased overheads.

The rating is, however, constrained by the company's modest scale of operations and asset/geographical concentration and its moderate financial profile stemming from its relatively higher debt level for its scale of operations and accruals. Its asset and geographical concentration could expose the company to property-specific and region-specific exogenous shocks and risks while its modest revenues limit benefits arising from economies of scale. The ratings are further constrained by APPL's stretched debt coverage metrics, as characterised by Total Debt/OPBDITA of 4.5 times in FY2025. Its debt service coverage ratio (DSCR) stood at 1.0 times in FY2025 against 1.2 times in FY2024. ICRA expects the capitalisation and coverage metrics to remain moderate over the medium term, albeit with anticipated healthy accruals.

Key rating drivers and their description

Credit strengths

Strong parentage – The company is a wholly-owned subsidiary of TBIPL and is a part of the larger, Bangalore-based MRG Group, which has been in existence for over three decades and is involved in hospitality and real estate businesses. The Group had a turnover of over Rs. 444 crore in FY2025. The Group has eight hotels across various cities including Bangalore, Mumbai, Mangalore and Faridabad, of which, six operate under the Goldfinch brand. The MRG Group also develops residential projects through joint development arrangements (JDAs) with real estate developers. APPL is strategically important for the Group and the MRG Group is expected to provide timely and adequate financial support to APPL for meeting its operational and financial commitments, as and when required. APPL also enjoys healthy financial flexibility and lender comfort by virtue of its parentage.

Favourable location of the property – APPL owns and operates a four-star hotel under the name, Goldfinch Mumbai in Andheri East, Mumbai. The property has been operational for several years. Its established nature along with its central location, in proximity to an industrial area and the domestic/international airports in Mumbai, has aided it in attracting corporate travellers, MICE and other transient passengers. The hotel has reported strong occupancy of 83% in FY2025, which is expected to continue, going forward.

Sustained revenues and margins; favourable demand outlook – In FY2025, APPL reported revenues of Rs. 42.88 crore, marginally higher than revenues of Rs. 42.19 crore in FY2024, despite a marginal dip in occupancy, which moderated to 83% in FY2025 from 92% in FY2024. Despite relatively lower occupancy level, the revenue in FY2025 was supported by an increase in the average room rent (ARR), which increased from Rs. 5,997 in FY2024 to Rs. 6,790 in FY2025. However, with limited headroom in terms of occupancy, the revenue growth will be largely dependent on the increase in the average room rent of the property, going forward. The operating margins in FY2025 continued to remain healthy albeit moderating to 29.9% from 32.6% in FY2024 mainly due to increase in overheads. Notwithstanding the exogenous shocks, if any, ICRA expects the Stable demand outlook and the demand-supply gap in the micro-market to augur well for the company in the near-to-medium term.

Credit challenges

Modest scale of operations; geographical concentration in Mumbai – The company has a modest scale of operations with an operating income of Rs. 43.2 crore in FY2025. Also, the company owns only a single property with an inventory of 96 rooms in Mumbai with no scope of expansion. Owing to its single asset and high geographical concentration in Mumbai, the company could be exposed to property-specific and region-specific exogenous shocks and risks.

Moderate financial profile – The company has relatively high debt level for its scale of operations, which resulted in moderate capital structure and coverage metrics. APPL's Total Debt/OPBDITA stood at 4.5 times in FY2025 while its debt service coverage ratio (DSCR) stood at 1.0 times in FY2025. ICRA expects the capitalisation and coverage metrics to remain moderate over the medium term, albeit some improvement with anticipated healthy accruals. ICRA notes that the company has extended loans worth Rs. 62.71 crore (as on March 31, 2025) to its Group company, Goldfinch Resorts Private Limited, and the receipt of the same could reduce debt level significantly, going forward.

Revenues vulnerable to exogenous shocks – Like other players in the industry, the company is exposed to industry cyclicity/seasonality, macroeconomic cycles and exogenous factors (geopolitical crises, terrorist attacks, disease outbreaks, etc). Moreover, the property faces competition from other hotels in the vicinity. However, it benefits from the established position and healthy brand equity of its property, which would mitigate the competitive risks to an extent.

Liquidity position: Adequate

APPL's liquidity is adequate, supported by its anticipated healthy accruals, free cash balances of Rs. 1.04 crore and undrawn working capital lines of Rs. 1.0 crore (as on March 31, 2025). Against these sources of cash, the company has debt repayment obligations of Rs. 13.0-13.5 crore per annum in FY2026 and FY2027 on its existing term loans, which are expected to be funded through its operational cash flow. The company has minimal capex plans, going forward. Further, the MRG Group is committed to extending timely and adequate financial support to the company for its operating and financial commitments, as and when required.

Rating sensitivities

Positive factors – A sustained increase in revenues and profitability indicators, leading to an improvement in debt coverage indicators on a sustained basis or strengthening of linkages/improvement in credit profile of the parent could lead to a rating upgrade. A specific trigger that could lead to an upgrade could be DSCR of more than 1.4 times on a sustained basis.

Negative factors – Pressure on APPL's rating could arise from demand slowdown and weakening of operating metrics, resulting in sustained pressure on its earnings and profitability, or any significant capex leading to weakening of debt coverage metrics

and liquidity position. Further, weakening in the parent's credit profile/APPL's linkages with the MRG Group, or absence of timely and adequate financial support from the MRG Group, as and when required, would also be a negative rating trigger.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Hotels Corporate Credit Rating Methodology
Parent/Group support	Parent company – The ultimate parent is the MRG Group, with holding company MRG Hospitality & Infrastructure Private Limited (MRG), which, through its subsidiary, Trishul Buildtech & Infrastructure Private Limited (TBIPL), owns a 100% stake in APPL. ICRA expects the MRG Group to extend timely and adequate financial support to APPL, as and when required.
Consolidation/Standalone	Standalone

About the company

Annakoot Properties Private Limited (APPL) owns and operates a 96-key four-star hotel under the name, Goldfinch Mumbai in Andheri East, Mumbai. The property has been operational for close to a decade and is centrally located in proximity to an industrial area and domestic/international airports in Mumbai. The company is wholly-owned by Trishul Buildtech & Infrastructure Private Limited, and is a part of the larger, Bangalore-based MRG Group, which has been in existence for over three decades and is involved in hospitality and real estate businesses.

Key financial indicators (audited)

Standalone	FY2024	FY2025 Prov
Operating income	43.2	43.2
PAT	5.9	8.3
OPBDIT/OI	32.6%	29.9%
PAT/OI	13.7%	19.3%
Total outside liabilities/Tangible net worth (times)	1.4	1.0
Total debt/OPBDIT (times)	5.0	4.5
Interest coverage (times)	2.2	2.6

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:

CRA	Status	Date of Release
CRISIL	CRISIL B(Stable)/CRISIL A4; ISSUER NOT COOPERATING	Aug 12, 2024

Any other information: None

Rating history for past three years

	Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years		
		Type	Amount rated (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
				June 24, 2025	-	March 28, 2024	-
1	Term loans	Long term	55.50	[ICRA]BBB- (Stable)	-	[ICRA]BBB- (Stable)	-
2	Unallocated	Long term	-	-	-	[ICRA]BBB- (Stable)	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term Fund-based – Term loans	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 Loans	FY2024	8.25%	FY2031	55.50	[ICRA]BBB- (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: Not Applicable

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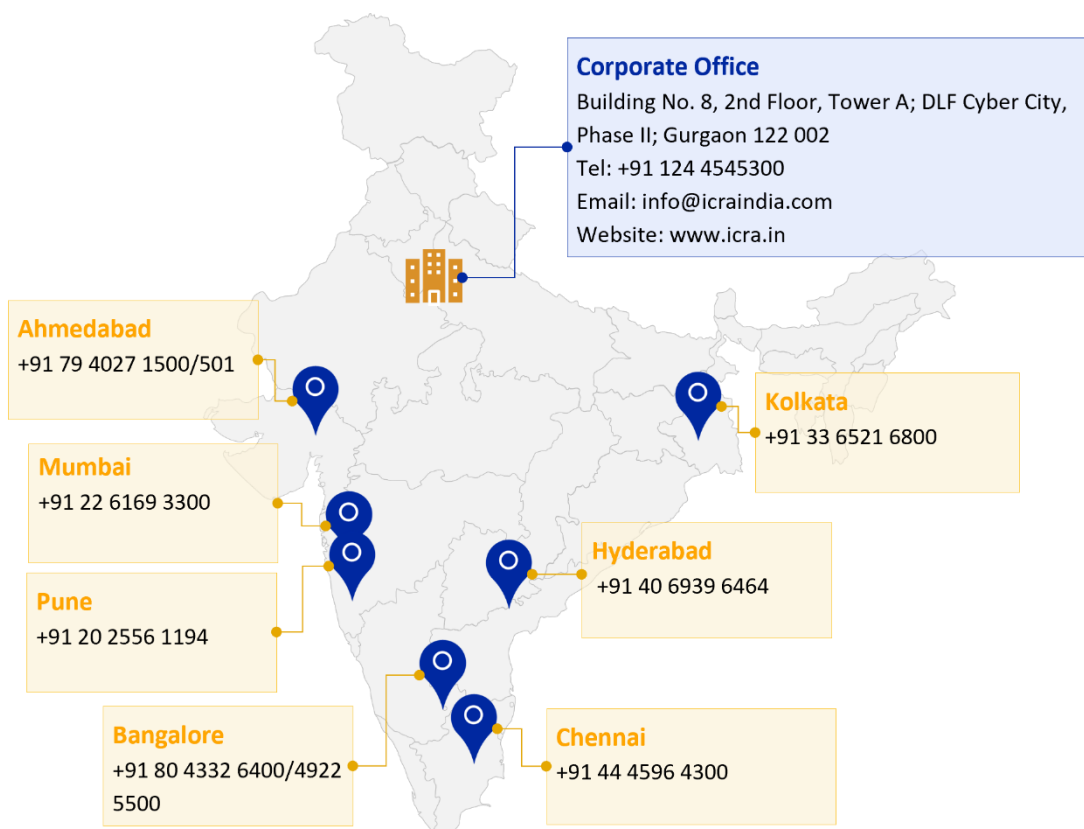
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