

May 22, 2026

## PARIN HOSPITALITY LLP: [ICRA]BB- (Stable); Assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	78.00	[ICRA]BB- (Stable); Assigned
<b>Total</b>	<b>78.00</b>	

\*Instrument details are provided in Annexure II

### Rationale

The rating assigned to Parin Hospitality LLP (PHLLP) factors in the promoters' entrepreneurship experience of over three decades in diversified industry. Leveraging its diversified background, the Parin Group is entering the hospitality industry through PHLLP with a 105-room five-star Courtyard by Marriott hotel in Rajkot, along with integrated amenities, including banquet, conference, dining and recreational facilities. The project benefits from its location on Kalawad Road, Rajkot, with connectivity to key commercial areas, the railway station and the Rajkot International Airport, supporting demand from corporate events and social gatherings such as weddings and family functions. The rating is further supported by limited funding risk, with term debt tied up and promoter equity being infused in a timely manner, providing comfort on financial closure.

However, the rating is constrained by the nascent stage of the project, exposing PHLLP to execution risks. Any time or cost overruns could adversely impact the company's financial risk profile and will remain a key monitorable. Additionally, the entity's ability to commence operations in a timely manner and achieve the envisaged revenue ramp-up and profitability levels will be critical. The rating is also exposed to inherent partnership firm risks, including potential capital withdrawal by partners, which may affect liquidity and capital structure.

The Stable outlook reflects ICRA's expectation that the promoters' long, diversified and listed business track record, the strategic location of the hotel, and the strong brand recognition of Courtyard by Marriott are expected to support PHLLP's credit profile over the near to medium term.

### Key rating drivers and their description

#### Credit strengths

**Association with reputed brand; favourable location of the project** – PHLLP has entered into an agreement with Courtyard by Marriott, an established global hospitality operator, for the management and operations of its upcoming hotel, thereby benefiting from Marriott's brand recognition, service standards, and global reservation network. Further, the project is located on Kalawad Road, a key commercial and residential corridor in Rajkot, with proximity to malls, cinemas, and retail developments, along with connectivity to the city centre, railway station, and the newly operational international airport. This supports demand from business travellers, conferences, and social gatherings, particularly weddings and family functions, thereby strengthening the project's operating prospects.

**Limited funding risk as term debt already tied up** – The cost of the project is funded through a mix of term loans and partner contributions in the form of equity and non-interest-bearing unsecured loans. The term loan of Rs. 78 crore is sanctioned by UCO Bank, and the promoter contribution in the form of equity capital and unsecured loans is also being infused in a timely manner. The promoters may infuse additional funds, if required.

## Credit challenges

**Execution risk persists** – The project commenced construction in August 2025 and remains at an early stage, with civil work currently underway and around 11% of the total project cost incurred as on March 31, 2026. At this stage, the development is exposed to execution risks, including potential time and cost overruns. Any slippages could lead to an increase in overall costs, particularly due to rising input prices, and may result in operational challenges, making timely completion critical for the project’s success.

**Exposed to geographical concentration risk with single property** – The company is exposed to high geographical concentration risk, with a single under-construction hotel on Kalawad Road, Rajkot, which is the Group’s first and only hospitality venture, and is likely to face competition from existing hotels and resorts in the vicinity. Moreover, concentration in a single asset and location increases the company’s exposure to any adverse or unforeseen events.

**Hospitality industry remains exposed to vagaries of tourism sector from domestic as well as international travellers** – The operating performance of hospitality properties remains vulnerable to seasonal trends, economic cycles, and external factors such as geopolitical developments, security concerns, and disease outbreaks. The industry is also exposed to demand-supply dynamics, the overall health of the tourism sector and fluctuations in tourist arrivals. Further, the company is likely to face competition from other premium hotels in the vicinity catering to both corporate and leisure segments.

## Liquidity position: Adequate

The liquidity profile of the firm is adequate, supported by undrawn term loans of around Rs. 70.7 crore and timely infusion of unsecured loans of Rs. 13.1 crore from promoters and related parties as on March 31, 2026. The company’s repayment obligations will begin from Q3 FY2028 and are expected to be comfortably serviced through projected cash flows from operations and on-balance sheet liquidity. The interest during construction (IDC) is being funded through project financing from the bank. The company has already incurred about 11% of the project cost (around Rs. 115 crore) as of March 31, 2026.

## Rating sensitivities

**Positive factors** – ICRA could upgrade PHLLP’s rating if the project witnesses significant construction progress and remains on track in accordance with the budgeted timelines and costs.

**Negative factors** – Negative pressure on PHLLP’s rating could arise if there are significant delays in completion of the project, delays in timely infusion of committed equity or unsecured loans leading to postponement of scheduled commercial operations.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Hotels</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

Parin Hospitality LLP was incorporated on April 3, 2025, as a limited liability partnership and is engaged in the development of hospitality projects. The firm is promoted by Mr. Parin Umeshbhai Nandani, Mr. Deven Dipesh Nandani, and Mr. Darshil Umeshbhai Nandani, each holding an equal profit-sharing interest. The firm is implementing a greenfield luxury hotel project comprising 105 rooms at Kalawad Road, Rajkot, Gujarat. Construction of the project commenced in August 2025, with a total project cost estimated at Rs. 114.82 crore, funded through promoter contribution and term debt, and commercial operations targeted for October 2027.

## Key financial indicators (Provisional)

PHLLP	FY2026**
Operating income	NM*
PAT	NM*
OPBDIT/OI	NM*
PAT/OI	NM*
Total outside liabilities/Tangible net worth (times)	NM*
Total debt/OPBDIT (times)	NM*
Interest coverage (times)	NM*

Source: Company, ICRA Research; \*\* Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; \*NM; Not Meaningful as it is a project stage entity

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

**Any other information: None**

## Rating history for past three years

Current rating (FY2027)				Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	May 22, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based-Term loan	Long Term	78.00	[ICRA]BB-(Stable)	-	-	-	-	-	-

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)

8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

### 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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	FY2026	8.35%	FY2041	78.00	[ICRA]BB- (Stable)

Source: Company

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

#### Annexure III: List of entities considered for consolidated analysis – Not Applicable

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## 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.

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