

May 25, 2026

## Ashford Properties Private Limited: Placed on Rating Watch with Positive Implications; rated amount enhanced

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term- Fund based Term Loan	115.00	112.60	[ICRA]A; Placed on Rating Watch with Positive Implications
Short term-Unallocated	0.00	10.00	[ICRA]A2+; Placed on Rating Watch with Positive Implications and assigned
<b>Total</b>	<b>115.00</b>	<b>122.60</b>	

\*Instrument details are provided in Annexure II

### Rationale

The rating action on Ashford Properties Private Limited (APPL) factors in its strong operational and financial linkages with its parent entity, InterGlobe Hotels Private Limited (IGH), which holds a 67% stake in the company. ICRA has placed APPL's ratings on watch with positive implications, in line with the rating action on its parent entity, IGH, following the proposed amalgamation of multiple InterGlobe-Accor platform entities into IGH. The proposed amalgamation forms part of the broader strategy of the InterGlobe Group and Accor SA to consolidate their hospitality operations in India under a single umbrella entity. The transaction is expected to create a unified, Accor-branded platform, with centralised decision-making, capital allocation, and operational control. Post the amalgamation, IGH is expected to emerge as the primary operating and franchise platform for Accor in India, with access to its global brand portfolio. The integration of asset-heavy hotel ownership businesses with asset-light, management-driven operations is expected to materially strengthen IGH's scale, operating efficiency, and financial flexibility, which, in turn, is likely to positively influence APPL's credit profile, given its strategic importance within the platform. ICRA will resolve the rating watch following the completion of the merger, which is expected over the next 6-9 months.

The ratings continue to derive strength from APPL's strong parentage, given its linkage to IGH, which benefits from established sponsorship from InterGlobe Enterprises and Accor, along with a demonstrated track record of timely financial support for project execution, operational requirements, and debt servicing. APPL also benefits from access to Accor's global distribution systems, loyalty programmes, and corporate relationships, which support demand visibility for its operations. APPL operates a 206-key Ibis hotel at Bandra Kurla Complex (BKC), Mumbai, which commenced operations in February 2025 and has witnessed a healthy ramp-up in performance, supported by strong demand in the micro-market driven by corporate and business travel. The asset remains at an early stage of stabilisation, and operating performance is expected to scale up gradually over the near to medium term.

The ratings remain constrained by APPL's exposure to the cyclical nature of the hospitality industry, where demand is sensitive to macroeconomic conditions and exogenous factors. While demand conditions remain favourable, geopolitical developments such as the ongoing West Asia crisis could moderate travel sentiment in the near term; however, the impact is expected to remain limited, given the property's focus on domestic corporate demand.

Further, APPL operates in a highly competitive and fragmented budget hotel segment, with competition from both organised chains as well as standalone operators in the BKC micro-market. Given the nascent stage of operations, the company's occupancy levels, pricing, and margins are expected to stabilise over time, resulting in modest near-term debt coverage metrics. Nonetheless, APPL is expected to benefit from operating leverage as utilisation improves, while continued financial support from IGH is likely to support debt servicing.

## Key rating drivers and their description

### Credit strengths

**Access to funding support from strong and experienced parent entity** – APPL is a subsidiary of IGH, which holds a 67% stake in the entity. Further, IGH is a joint venture (JV) of InterGlobe Enterprises Private Limited (60%) and the French hospitality major, Accor SA. IGE is present across diverse industries and enjoys significant financial flexibility owing to the market value of its 34% stake in InterGlobe Aviation Limited (rated [ICRA]AA Rating Watch with Negative Implications/ [ICRA]A1+). APPL has enjoyed healthy financial flexibility as it is a subsidiary of IGH, demonstrated by its track record of extending timely financial support for project execution, operational funding, and debt repayments. ICRA expects the same to continue, supporting APPL's credit profile as and when required.

**Well recognised brand to aid in gradual improvement in operating metrics** – As it owns an 'Ibis' brand hotel, APPL has access to Accor's global distribution system (GDS), strong loyalty programmes, and established corporate relationships. This is expected to aid in ramping up APPL's operations and provide healthy revenue visibility.

### 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 cyclical nature. The prospects of the hospitality sector are likely to be adversely impacted to some extent due to the current geopolitical situation in the Indian subcontinent. The hostile engagement and heightened tension between India and Pakistan may affect the sector's outlook due to travel restrictions, a decline in the arrival of foreign travellers and the deferment of travel by domestic tourists and travellers. Global and domestic economic conditions will remain key monitorables for APPL, similar to the broader hospitality industry.

**Nascent stage of operations** – APPL commenced operations at its hotel in February 2025. Although its operations have scaled up, APPL remains exposed to demand offtake risk as it faces significant competition from standalone players in Mumbai's BKC micro-market, given the nature of the Indian budget hotel segment, which remains largely unorganised and characterised by relatively lower entry barriers.

**Debt coverage metrics to remain modest over the near term** – Due to its nascent stage of operations, APPL's debt coverage metrics are expected to remain modest over the near term as operational metrics are likely to improve only gradually. However, timely support from the parent entity is expected to help APPL meet its debt servicing obligations in a timely manner.

### Liquidity position: Adequate

APPL's liquidity is expected to remain adequate, supported by expectations of healthy cash flows and need-based equity infusion by its parent. In addition, free cash balances of around Rs. 8.5 crore (as on December 31, 2025) provide a liquidity cushion. The company has low repayment obligations in the initial years of operations due to a ballooning repayment structure, wherein repayment is set to commence from FY2027, with a repayment obligation of Rs. 0.1 crore during the fiscal.

### Rating sensitivities

**Positive Factors** – The completion of the ongoing merger process, as described above, would be a trigger for a positive rating movement as it is expected to materially strengthen APPL's parent entity - IGH's credit profile.

**Negative Factors** – The ratings could be downgraded in case of weakening linkages or a deterioration in the credit profile of the parent entity. A weaker-than-expected ramp-up in operational metrics could also exert pressure on the ratings.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Hotels</a>
Parent/Group support	APPL is a subsidiary of IGH, which holds a 67% stake in the entity. The ratings assigned to APPL factor in the very high likelihood of its parent entity extending financial support due to its strategic importance and close business linkages. ICRA also expects the parent to remain willing to extend such support to APPL to protect its reputation from the consequences of a Group entity's distress. The parent entity also has a consistent track record of extending timely financial assistance whenever the need has arisen.
Consolidation/Standalone	Standalone

## About the company

Ashford Properties Private Limited (APPL), incorporated in 2007, is a ~67% subsidiary of IGH (with the remaining stake held by Shree Naman Developers Private Limited and Mr. Ketan Shamji Gogri) and has established one 206-key hotel at BKC, Mumbai. The hotel became operational in February 2025.

InterGlobe Hotels Private Limited (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 has developed 22 budget hotels under the Ibis brand and plans to develop one lifestyle hotel under the Hoxton brand in India. Of these, 22 hotels (~3,996 keys) were already operational as at the end of March 2026. IGH expects to have a cumulative inventory of ~4,145 rooms by the end of FY2027 across India, with the addition of the Hoxton in Bangalore.

The company's 40% stakeholder, Accor, is a leading participant in the global hospitality industry. IGE, on its part, is one of the promoters of InterGlobe Aviation Limited (IAL), which owns a majority stake in IndiGo airline, India's largest airline with around 64% market share (as of February 2026). IGE, also an established participant in aviation management, travel distribution services, and ground handling services, is wholly owned by Mr. Rahul Bhatia and family.

### Key financial indicators (audited)

APPL (Standalone)	FY2025	9MFY2026*
Operating income	1.4	23.5
PAT	(2.1)	-4.3
OPBDIT/OI	-41.3%	35.8%
PAT/OI	-150.7%	-18.2%
Total outside liabilities/Tangible net worth (times)	0.8	0.9
Total debt/OPBDIT (times)	(186.0)	9.9
Interest coverage (times)	(0.5)	1.0

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; \*Provisional

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

### Any other information: None

## Rating history for past three years

Instrument	Type	Current rating (FY2027)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	May 25, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Term loans	Long-term	112.60	[ICRA]A; Rating Watch with Positive Implications	May 20, 2025	[ICRA]A (Stable)	Apr 17, 2024	[ICRA]A (Stable)	-	-
Unallocated	Short-term	10.00	[ICRA]A2+; Rating Watch with Positive Implications	-	-	-	-	-	-

### 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
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(@) 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
Short term - Unallocated	NA

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-1	FY2022	-	FY2041	112.60	[ICRA]A; Rating Watch with Positive Implications
NA	Short term - Unallocated	-	-	-	10.0	[ICRA]A2+; Rating Watch with Positive Implications

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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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.

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