

May 26, 2026

Manglam Spa Resort Private Limited: Rating upgraded to [ICRA]BBB-(Stable)

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loans	45.00	45.00	[ICRA]BBB- (Stable); upgraded from [ICRA]BB (Stable)
Total	45.00	45.00	

*Instrument details are provided in Annexure II

Rationale

The rating upgrade for the bank facilities of Manglam Spa Resort Private Limited (MRSPL) factors in the commencement of commercial operations for its property – ‘Westin Resort & Spa by Manglam’ in Q3 FY2026 along with expected improvement in occupancy levels leading to cash flow visibility and likely adequate debt coverage metrics. Further, ICRA has revised the rating approach for Manglam Spa Resort Private Limited (MSRPL) from a standalone assessment to one factoring in the support philosophy of Manglam Build-Developers Ltd (MBDL), flagship entity of the Manglam Group. ICRA expects MBDL to extend timely financial support to MSRPL, if need arises, given its strategic importance to MBDL, a common management and treasury team along with MBDL’s reputation sensitivity to default.

The hotel has management tie-up with Marriott International Inc (Marriott) for their Westin brand, which provides brand visibility across service and quality offerings. The hotel commenced its operations on November 28, 2025, with average occupancy of 38% at an average room rate (ARR) of Rs. 15,689 achieved in 4M FY2026. The occupancy is expected to improve in FY2027, backed by favourable location and the strong brand pull. Consequently, the debt coverage metrics are estimated to improve with debt service coverage ratio (DSCR) in range of 1.4 - 1.6 times in FY2027 (PY – 1.38 times). MSRPL is owned by the Manglam Group, an established player with a track record of more than three decades in the real estate sector based out of Jaipur, Rajasthan. The Group has delivered more than 60 million square feet (msf) of residential/commercial/ plotted projects in various cities of Rajasthan.

The ratings are, however, constrained by limited track record of operations and low net worth along with the company’s high total debt levels and consequent high leverage. Moreover, MRSPL’s operations are limited to only one location (Jaipur) and a single asset, which exposes the company to geographic and asset-specific concentration risks. The ratings are further constrained by the competitive intensity in the hospitality industry and the inherent cyclical nature of revenue generation, which is susceptible to economic slowdowns and seasonality.

The Stable outlook reflects ICRA’s expectations of steady improvement in operational performance led by sustained robust demand in the hospitality industry along with improvement in leverage metrics in the absence of any large debt-funded capital expenditure (capex).

Key rating drivers and their description

Credit strengths

Operationalisation of hotel in Q3 FY2026; expected adequate debt coverage metrics – The hotel commenced its operations on November 28, 2025. During 4M FY2026, the average occupancy was 38% at an ARR of Rs. 15,689. The occupancy is expected to improve in FY2027, backed by favourable location and the strong brand pull. Consequently, the debt coverage metrics are estimated to improve with debt service coverage ratio (DSCR) in range of 1.4-1.6 times in FY2027 (PY – 1.38 times). The same

is expected to improve further in the near to medium term with the absence of any major debt-funded capex plan, due to the recent operationalisation of the hotel.

Favourable location of project; tie-up with reputed brand - The asset is situated on the outskirts of Jaipur with proximity to Jaipur railway station, Jaipur International Airport, the main city and major tourist attractions offering location-specific advantage. The resort is well connected to the National Highway-248 linking Delhi and Jaipur. The hotel is expected to have a steady influx of tourists for weekend staycations, destination weddings, seminars and conferences, wellness and family retreats. MSRPL has entered into an agreement with Marriott International Inc (Marriott) for the operations and management of the resort, which provides brand visibility in terms of service and the quality offerings associated with the Westin brand of Marriot.

Long and established track record of group in real estate business in Rajasthan - MSRPL is owned by the Jaipur-based Manglam Group, which is involved in the real estate business and has been operational for more than three decades. The Group has delivered more than 60 million square feet (msf) of residential/commercial/plotted projects in various cities of Rajasthan. Further, the Group has an established presence in the Jaipur real estate market, and the promoters have the ability to infuse funds to support the entity. ICRA expects MBDL to extend timely financial support to MSRPL, if need arises, given its strategic importance to MBDL, a common management and treasury team along with MBDL's reputation sensitivity to default.

Credit challenges

High leverage; limited track record of operations – The company has limited track record of operations with the hotel becoming operational in Q3 FY2026. The company's net worth is modest with limited equity capitalisation, and the total debt of the company is high at Rs. 201.1 crore as on March 31, 2026 (provisional) resulting in high leverage.

Exposure to asset and geographic concentration risks – MRSPL's revenues are susceptible to adverse market conditions as its operations are limited to only one location (Jaipur) and a single asset. The dependence on a single property exposes it to adversities in its region of operations. MRSPL will also face stiff competition from other existing and upcoming properties in the vicinity.

Exposure to intense competition and cyclical nature of industry - The company's operations are exposed to inherent cyclicity in the hospitality sector with revenue generation vulnerable to seasonality, exogeneous shocks, discretionary nature of spending and the overall macroeconomic performance. In addition, the company faces stiff competition from other five-star hotels in its vicinity, which compete for both corporate and leisure guests.

Liquidity position: Adequate

The company's liquidity position is Adequate with cash and bank balance of Rs. 1.6 crore as of March 2026. The entity has expected debt repayment obligations of Rs. 10.7 crore in FY2027, which are expected to be adequately met through its cash flow from operations. The entity has no major capex plans in the near to medium term.

Rating sensitivities

Positive factors – Sustained improvement in earnings and material strengthening of the net worth along with improvement in leverage while maintaining adequate coverage metrics on a sustained basis. Further, an improvement in the credit profile of its support provider, MBDL, will be a credit positive.

Negative factors – Any significant decline in operating metrics or any major debt-funded capital expenditure resulting in deterioration of debt coverage indicators and liquidity could trigger a rating downgrade. The rating will be sensitive to weakening of the credit profile of Manglam Build-Developers Ltd.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology – Hotels
Parent/Group support	Group company – Manglam Build-Developers Ltd. (MBDL) ICRA expects MBDL to extend financial support to MRSPL, if need arises, given its strategic importance to MBDL as there is a common management and treasury team along with MBDL's sensitivity to default.
Consolidation/Standalone	Standalone

About the company

Manglam Spa Resort Private Limited (MSRPL), incorporated in 1998, is currently owned by the Jaipur-based Manglam Group, which is involved in real estate business. At present, the company is running a premium hotel and resort comprising 135 rooms in Jaipur, Rajasthan. The asset has an operations and management tie-up with Marriott International Inc, an established international hospitality group. As a result, the assets benefit from the Group's global branding, marketing and advertising networks. The 135-room hotel is branded as Westin and commenced operations on November 28, 2026.

Key financial indicators (audited)

MSRPL Standalone	FY2025	FY2026*
Operating Income	0.0	17.8
PAT	-0.1	0.9
OPBDIT/OI	-244%	36%
PAT/OI	-469%	-5%
Total outside liabilities/Tangible net worth (times)	6.5	9.1
Total debt/OPBDIT (times)	-2671.1	31.1
Interest coverage (times)	-0.5	1.4

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	Current (FY2027)			Chronology of rating history for the past 3 years					
	FY2027			FY2026		FY2025		FY2024	
	Type	Amount rated (Rs. crore)	May 26, 2026	Date	Rating	Date	Rating	Date	Rating
Term loan	Long- term	45.0	[ICRA]BBB- (Stable)	-	-	Feb 10, 2025	[ICRA]BB (Stable)	Feb 06, 2024	[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 FSRs 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	March 2022	7.75%	FY2034	45.00	[ICRA]BBB- (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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