June 29, 2026

MPG Hotels and Infrastructure Ventures Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Action
Long Term – Term Loan	130.65	133.19	[ICRA]BBB-(Stable); reaffirmed
Long Term – Term Loan (LRD)	65.70	59.38	[ICRA]BBB-(Stable); reaffirmed
Long Term/ Short Term – Unallocated	208.05	211.83	[ICRA]BBB-(Stable)/[ICRA]A3; reaffirmed
Total	**404.40**	**404.40**	

**Instrument details are provided in Annexure-II*

Rationale

While arriving at the ratings, ICRA has taken a consolidated view of MPG Hotels and Infrastructure Ventures Private Limited (MPGHIVPL) and its subsidiary, Muthoot Hotels Private Limited (MHPL), jointly referred to as 'MPG or the Group'. The Group operates three hotels, along with a commercial real estate property, two residential real estate projects and two restaurants, all based in Kerala, and is a part of the larger Muthoot Pappachan Group, a Kerala-based conglomerate with diverse business interests in non-banking financial services, hospitality, infrastructure development and automobile dealerships, strengthening its financial flexibility.

The reaffirmation of the ratings factors in ICRA's expectations of MPG maintaining a stable performance in the hospitality segment, along with expectations of continued need-based financial support from the promoters. In FY2026, the Group reported revenues of Rs. 102.5 crore from the hospitality segment, registering a modest YoY growth of 1.6%. Moreover, the Group has completed construction of apartments in its residential projects, and sales from the same are expected to generate meaningful cash flows over the next two to three years. The Group is also exploring multiple avenues for debt reduction and liquidity improvement, including monetisation of unused land parcels. To this effect, the company sold a piece of land at Sriperumbudur for Rs. 52.0 crore in FY2026 and is exploring raising an additional Rs. 40.0-45.0 crore through monetisation of other non-core assets.

Over the years, MPG has received periodic financial support from the promoters, both in the form of unsecured loans as well as incremental equity capital. As of March 2026, the loan from directors stood at Rs. 190.8 crore (Rs. 241.4 crore as of March 2025). While the capital structure and coverage metrics remain relatively subdued on account of comparatively high debt levels and past accumulated losses, an improvement in accruals is expected, going forward. This improvement is likely to be supported by the operating leverage and lower interest expenses with a reduction in external debt. Further, sales from the residential real estate properties would provide additional cash flows.

MPG has a commercial real estate asset, Technopolis IT park in Kakkanad, Kochi, with 3.55 lakh square feet of office space, which houses a few IT/ITeS majors as tenants. ICRA notes that occupancy was over 90% in FY2022, however, it dropped significantly in recent years due to competition from neighbouring office assets, resulting in a decline in net rentals from the property to Rs. 12.3 crore in FY2026, from the peak of Rs. 24.4 crore in FY2019. The Group has outstanding loan of ~Rs. 80.0 crore (Rs. 60.0 crore LRD (Lease rental discounting) and Rs. 20.0 crore LAP (Loan against property)) as on March 31, 2026 against the rentals from this property and the debt obligations [Principal+ interest (P+I)] are likely to be over Rs. 10.0 crore per year for the FY2027-FY2029 period. Any shortfall in lease rentals for meeting the P+I commitments of the LRD loan is expected to be funded by the promoters to ensure timely debt servicing.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company will be able to maintain its credit profile, supported by steady revenues from the hospitality and commercial real estate segments, expectations of higher revenues from the residential real estate segment, monetisation of non-core assets and periodic support from its promoters.

Key rating drivers and their description

Credit strengths

Part of Muthoot Pappachan Group, which imparts the company with exceptional financial flexibility – MPG is a part of the larger Muthoot Pappachan Group, a Kerala-based conglomerate with diverse business interests, including non-banking financial services, hospitality, infrastructure development and automobile dealership, supporting its financial flexibility. MPG has received periodic financial support from the promoters in the past, in the form of unsecured loans and equity capital. As of March 2026, the loan from directors stood at Rs. 190.8 crore. MPG enjoys exceptional financial flexibility for being a part of the Muthoot Pappachan Group.

Diversified business mix with portfolio comprising hospitality, commercial and residential assets – MPG has a diversified business mix with presence across hotels (68% of revenues in FY2026), residential real estate business (15%), commercial real estate (8%) and restaurants (9%). Revenue from the residential real estate business grew by 88% to Rs. 21.9 crore in FY2026 and is expected to further improve in FY2027 and FY2028, driven by an uptick in flat sales. In the past, the commercial real estate asset has supported the Group's cash flows to an extent during the downcycles in the hospitality industry.

Management tie-up with well-known international and Indian hospitality operators – MPG has management tie-ups with established international hotel operators such as Hilton and Accor, and Indian operators such as The Indian Hotels Company Limited (rated [ICRA]AAA(Stable)/[ICRA]A1+) for operating its three hotels under the brands Hilton Garden Inn, Novotel and Taj. The hotels benefit from the branding, marketing and advertising networks of the operators.

Credit challenges

Weak capital structure and coverage metrics – MPG has relatively higher debt levels for its scale of operations, despite meaningful reduction in recent years. As on March 31, 2026, the Group's adjusted debt (debt excluding loans from promoters) stood at Rs. 205.3 crore, and its capital structure was weighed down by past accumulated losses. The Group's adjusted debt/OPBDITA remained weak at 10.2 times in FY2026 [Previous year (PY): 12.0 times], while its debt service coverage ratio stood at 0.6 times during the same period (PY: 0.3 times). Although the capital structure and coverage metrics remain constrained by the elevated debt levels and past accumulated losses, an improvement in cash accruals is expected, going forward, supported by expected higher sales from the residential real estate segment, improved operating leverage and reduced interest outgo with a decline in external debt (Rs. 205.3 crore as of March 2026 against Rs. 364.6 crore as of March 2023). ICRA expects the promoters to extend adequate and timely financial support, going forward, as and when required, to ensure timely debt servicing.

Low occupancy in the commercial real estate asset – MPG has a commercial real estate asset, Technopolis IT park in Kakkanad, Kochi, with 3.55 lakh square feet of office space, which houses several IT/ITeS majors as tenants. ICRA notes that occupancy stood at over 90% in FY2022, however, it dropped in recent years due to competition from neighbouring office assets, resulting in a decline in rentals from the property to Rs. 12.3 crore in FY2026, from the peak of Rs. 24.4 crore in FY2019. The Group has outstanding loan of ~Rs. 80.0 crore (Rs. 60.0 crore LRD (Lease rental discounting) and Rs. 20.0 crore LAP (Loan against property)) as on March 31, 2026 against the rentals from this property, and the debt obligations [Principal+ interest (P+I)] are likely to be over Rs. 10.0 crore per year for the FY2027-FY2029 period. Any shortfall in lease rentals for meeting the P+I commitments of the LRD loan is expected to be funded by the promoters to ensure timely debt servicing.

Revenue vulnerability from hospitality industry's cyclicality, economic cycles and exogenous events; partially mitigated by revenues from real estate assets – The operating performance of the hospitality segment remains vulnerable to industry cyclicality/seasonality, macroeconomic cycles and exogenous factors (geopolitical crises, terrorist attacks, disease outbreaks, etc). Nonetheless, the risk to revenues is partially mitigated by cash flows from the real estate portfolio, akin to what was witnessed during the pandemic. The Group also has residential real estate assets, sales of which would add to the cash inflows over the near-to-medium term.

Relatively higher geographical concentration – MPG has three hotel properties located in Trivandrum, Kovalam near Trivandrum and Kakkanad in Kochi. Its commercial real estate asset is located at Kakkanad, Kochi. Also, two of its residential projects are in Akkulam and Kowdiar in Trivandrum. With presence only in Kerala, MPG is exposed to region specific risks. Moreover, MPG encounters stiff competition from other premium hotels, resorts and IT parks in the region.

Liquidity position: Adequate

MPG's liquidity position is likely to remain Adequate, supported by cash flows from operations of Rs. 30.0-40.0 crore per annum, especially supported by higher revenue stemming from its residential real estate units in the coming year. The Group has principal repayments of Rs. 19.1 crore in FY2027 and Rs. 12.1 crore in FY2028 on its existing bank loans, and minimal maintenance capex (Rs. 20 crore in the current fiscal and Rs. 5-6 crore annually, subsequently). In comparison, it held free cash and cash equivalents of Rs. 19.8 crore as on March 31, 2026. Moreover, the Group has plans to monetise some of its non-core assets. ICRA expects the promoters to extend adequate and timely financial support, as and when required, to meet MPG's operating and financial commitments, going forward.

Rating sensitivities

Positive factors – A significant improvement in debt metrics and liquidity position could lead to an upward ratings revision. Specific credit metric for upgrade includes Adjusted debt (Debt excluding unsecured loans from promoters)/OPBITDA of less than 4.0 times on sustained basis.

Negative factors – Pressure on the ratings could arise from weakening of the liquidity position arising from a sharp deterioration in MPG's operating performance. Moreover, the absence of timely and adequate promoter support, or significant net outflow/support extended to other Group companies may result in ratings downgrade. Further, weakening of linkages with the Muthoot Pappachan Group would also be a negative rating trigger.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Hotels Realty – Lease Rental Discounting (LRD) Realty – Commercial/Residential/Retail
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the consolidated financials of MPG Hotels and Infrastructure Ventures Private Limited and its subsidiaries as mentioned in Annexure-III

About the company

MPG Hotels and Infrastructure Ventures Private Limited (MPGHIVPL) has two hotels, Hilton Garden Inn at Trivandrum with 132 keys and Novotel at Kakkanad, Kochi with 128 keys; an IT Park in Kochi SEZ under the name 'Muthoot Technopolis'; and two residential real estate assets in Kowdiar and Akkulam in Trivandrum. The Group also operates speciality restaurants in Trivandrum under the names, Villa Maya and Baker's Arch Cafe. Through its subsidiary, Muthoot Hotels Private Limited (MHPL), it owns a villa luxury deluxe beach resort in Kovalam, Kerala, named Taj Green Cove Resort and Spa with 59 keys. This resort is under a management contract with Indian Hotels Company Limited.

MPG is part of the larger Muthoot Pappachan Group, a Kerala-based conglomerate with diverse business interests in non-banking financial services, hospitality, infrastructure development and automobile dealerships. Muthoot Fincorp Limited is the flagship entity of the Muthoot Pappachan Group. The promoters hold a 100% stake in MPG, partly in individual capacity and partly through other Group entities.

Key financial indicators

MPG Hotels and Infrastructure Ventures Private Limited (Consolidated)	FY2025 (audited)	FY2026 (provisional)
Operating income (OI)	135.7	151.7
PAT	(23.0)	(8.6)
OPBDIT/OI	12.6%	13.2%
PAT/OI	-17.0%	-5.6%
Total outside liabilities/Tangible net worth (times)	-14.3	-82.9
Total debt/OPBDIT (times)	28.3	21.2
Interest coverage (times)	0.7	0.9

Amount in Rs. crore; Source: Company, ICRA Research; Financial ratios in this document are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; total debt includes lease liabilities

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current ratings (FY2027)			Chronology of rating history for the past 3 years		
		Type	Amount rated (Rs. crore)	Date & Rating in FY2027	Date & Rating in FY2026	Date & rating in FY2025	Date & rating in FY2024
				June 29, 2026	July 25, 2025	June 11, 2024	September 28, 2023
1	**Term loan**	Long term	133.19	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	[ICRA]BB (Stable)
2	**Term loan (LRD)**	Long term	59.38	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	[ICRA]BB+ (Stable)
3	**Fund-based facilities**	Short term	-	-	-	[ICRA]A3	[ICRA]A4+
4	**Non-fund based facilities**	Short term	-	-	-	-	[ICRA]A4+
5	**Unallocated facilities**	Long term/ Short term	211.83	[ICRA]BBB-(Stable)/ [ICRA]A3	[ICRA]BBB-(Stable)/ [ICRA]A3	[ICRA]BBB-(Stable)/ [ICRA]A3	[ICRA]BB (Stable)/ [ICRA]A4+

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 Mutal 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
Term Loan	Simple
Term Loan (LRD)	Simple
Unallocated facilities	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 loans**	FY2025	NA	FY2040	133.19	[ICRA]BBB-(Stable)
NA	**Term loans (LRD)**	NA	NA	NA	59.38	[ICRA]BBB-(Stable)
NA	**Unallocated facilities**	NA	NA	NA	211.83	[ICRA]BBB-(Stable)/[ICRA]A3

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure III: List of entities considered for consolidated analysis

Company name	MPGHIVPL ownership	Consolidation approach
MPG Hotels and Infrastructure Ventures Private Limited	100.00% (rated entity)	Full consolidation
Muthoot Hotels Private Limited (MHPL)	98.60% by MPGHIVPL	Full consolidation
Right Ambient Resorts Private Limited^	100% by MHPL	Full consolidation

Source: MPGHIVPL ^step down subsidiary
Note: ICRA has taken a consolidated view of the parent (MPGHIVPL) and its subsidiaries while assigning the ratings

ANALYST CONTACTS

Jitin Makkar
+91 124 4545 368
jitinm@icraindia.com

K. Srikumar
+91 44 4596 4318
ksrikumar@icraindia.com

Sruthi Thomas
+91 80 4332 6430
sruthi.thomas2@icraindia.com

Nilesh Kumar Jain
+91 44 4596 4312
nilesh.jain2@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches