

August 25, 2025

## Junobo Hotels Private Limited: [ICRA]BBB (Stable); assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	75.00	[ICRA]BBB (Stable); Assigned
<b>Total</b>	<b>75.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The ratings for Junobo Hotels Private Limited (JHPL) factor in the benefits from its experienced management, need-based funding support and strong financial flexibility by virtue of being the part of the Pune based Panchshil Group.

The rating also derives comfort from JHPL's association with the international private members' club – Soho House which provides enhanced brand recognition, access to its global distribution system, strong loyalty programme and extensive experience from the global hospitality industry. Further, the operating metrics of the club operated by JHPL remain healthy, driven by sustained healthy industry demand, which resulted in high occupancy levels as well as improved average room rate (ARR). There was a strong growth in the club memberships in FY2022 and FY2023 post lifting of the Covid restrictions, though, the same has normalised since FY2024.

ICRA notes that till FY2024 the debt profile of the company largely comprised non-convertible debentures of Rs. 25 crore, convertible debentures of Rs. 5.2 crore and unsecured interest-free loans from related parties of Rs. 45.5 crore. In FY2025, the company availed Rs. 75 crore of term debt to pay off Rs. 28.1 crore of debentures and Rs. 40 crore of unsecured interest-free loans from related parties. The term debt is backed by the corporate guarantee of Panchshil group. ICRA derives comfort from the expectation of need-based funding support from Panchshil Group.

The ratings, however, remain constrained by the subdued debt protection metrics of the company due to its low profit margins, with company having incurred operating losses in 9M FY2025. ICRA also notes that the liquidity position of the company remains stretched on account of the expected cash losses in FY2025, though available cash and bank balance of Rs. 19.4 crore as on March 31, 2025, provides some comfort.

ICRA also notes that the company has not paid interest on the debentures for the period FY2020 to FY2025 as the company had obtained waiver letters from the debenture holders for payment of interest. These waiver letters are typically obtained post year-end but prior to finalisation of the books of accounts. For FY2025, ICRA understands that the company is in the process of obtaining these waiver letters and expects the same to be in place before the finalisation of accounts, as seen in previous financial years also. This is unlikely to invoke any cross-default clause or acceleration of debt as understood from the lender and as per the terms of the sanction letter.

Further, ICRA factors in the limited geographical diversification of the company. Moreover, its presence in a single micro market (i.e., Mumbai) exposes it to the adversities in the local market concerned and competition from other properties in the vicinity. Further, the inherent cyclical and seasonality in the hospitality industry, exposes JHPL's revenues to risks associated with any economic slowdown and exogenous shocks.

The stable outlook on the long-term rating factors in ICRA's opinion that JHPL will continue to exhibit steady operating metrics. The debt coverage indicators are however, expected to remain muted. Going forward, JHPL's ability to ramp up revenues and improve profitability leading to an improvement in the leverage and coverage indicators will be a key monitorable.

## Key rating drivers and their description

### Credit strengths

**Experienced management; need-based funding support by Panchshil Group** – The management team brings together expertise across hospitality, real estate, media, and investment industries. JHPL, as a part of Pune-based Panchshil group, also enjoys strong financial flexibility and the ratings factor in a need-based funding support from Panchshil Group. Panchshil Group is a Pune-based realty group engaged in both residential and commercial real estate projects. It invested in the company through its investment in Soboho Private Limited in FY2024, which holds 51% voting equity in the company as on March 31, 2025. It has supported the company in the past by way of investments in debentures of around Rs. 28.1 crore as on March 31, 2024, which were subsequently paid off in FY2025 out of the proceeds from the term loan. The term debt availed by the company has been guaranteed by Panchshil Group.

**Strong brand association** – JHPL's association with the international private members' club – Soho House provides enhanced brand recognition, access to its global distribution system, strong loyalty programme and extensive experience from the global hospitality industry. Soho House Group is a global private members' club and lifestyle brand, founded in 1995 in London. It offers exclusive access to clubhouses, boutique hotels, restaurants, wellness spaces, and cultural events around the world. The group now includes over 40 Houses across major cities such as London, New York, Los Angeles, Mumbai, and São Paulo, with new openings in Ibiza, Manchester, and Barcelona in FY2025. Future expansions are planned in Tokyo, Milan, Madrid, Sydney, South Mumbai, and Delhi.

**Healthy operating metrics** – The operating metrics remain healthy, driven by sustained healthy industry demand, which resulted in high occupancy levels as well as improved ARR. The average occupancy levels remain around 84% for 10M FY2025. The ARR has increased at a compounded annual growth rate of 8.1% over FY2020 to 10M FY2025 from Rs. 13,315 in FY2020 to Rs. 19,418 in 10M FY2025. Consequently, the revenue per available room (RevPar) has grown at a CAGR of 8.9% over FY2020 to 10M FY2025 from Rs. 10,784 in FY2020 to Rs. 16,270 in 10M FY2025. Further, JHPL had 3,565 members as on February 28, 2025, and the fee per member has grown at a CAGR ranging between 3.5-4.0% over FY2020 to 10M FY2025 across membership categories.

### Credit challenges

**Subdued debt protection metrics and elevated leverage metrics** – The overall debt coverage indicators remain weak due to JHPL's leveraged capital structure and modest profit margins, with entity incurring operating losses in 9M FY2025. The interest cover stood modest at 1.7 times for FY2024, and Total Debt vis-à-vis operating profit of 5.4 times as on March 31, 2024. Also, the leverage metrics remain elevated with a total debt vis-à-vis tangible networth of 3.7 times as on March 31, 2024, and total outside liabilities vis-à-vis tangible networth of 7.7 times as on March 31, 2024. The tangible net worth is expected to continue to remain impacted by expectations of continued net losses in the near to medium term. The company has no plans of further equity infusion. It expects support from Panchshil Group to be forthcoming for servicing of its debt obligations.

**Limited geographic diversification** – The company has been operating one property in Mumbai, resulting in a modest scale with limited possibility of any significant scale-up of operations. Dependence on a single region exposes the company to adversities of the local market, including new supply addition and event risks, among others.

**Exposed to inherent cyclicality and seasonality in the hospitality industry** – The operating performance of the company remains vulnerable to industry cycles and exogenous shocks (geopolitical crises, terrorist attacks, disease outbreaks, among others). Also, the hotel continues to remain exposed to competition from other luxury clubs in Mumbai.

## Liquidity position: Stretched

Liquidity remains stretched on account of the estimated cash losses in FY2025. While the company does not expect to incur any substantial capex in FY2026, the debt repayment obligations stand at around Rs. 5 crore in FY2026 and Rs. 11 crore in FY2027. The company had Rs. 19.4 crore of cash and bank balance as on March 31, 2025.

## Rating sensitivities

**Positive factors** – A sustained improvement in operational metrics, scale of operations and profitability indicators leading to improvement in credit metrics and liquidity, could be a trigger for improvement in the rating. A sustained improvement in the credit profile of Panchshil Group would also be a positive factor.

**Negative factors** – Negative pressure on JHPL’s rating could arise from prolonged weakness in operating metrics and/or material increase in debt levels leading to weakening of its credit metrics and liquidity position on a sustained basis. Any weakening of linkages with Panchshil Group or deterioration in the credit profile of Panchshil Group on a sustained basis could also result in a ratings downgrade.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Hotels</a>
Parent/Group support	ICRA expects Panchshil Group to provide need-based funding support to the company
Consolidation/Standalone	Standalone

## About the company

Junobo Hotels Private Limited operates the Soho House Mumbai located in Juhu. Soho House Mumbai is a 10-storey membership club with two basements spread across 60,000 square feet having 38 rooms, gym, rooftop pool, a 32-seat screening room and spaces for events. The club commenced operations in 2018. It has a Northern Italian restaurant named Cecconi on the ground floor which is also open to non-members.

JHPL is part the Pune-based realty group - Panchshil Group - through the latter’s investment in Soboho Private Limited in FY2024. Soboho Private Limited holds 51% voting equity in the company.

## Key financial indicators (audited)

Junobo Hotels Private Limited (standalone)	FY2023	FY2024	9M FY2025*
Operating income	111.4	123.2	93.0
PAT	-4.2	0.7	-19.0
OPBDIT/OI	6.0%	11.5%	-0.5%
PAT/OI	-3.8%	0.6%	-20.5%
Total outside liabilities/Tangible net worth (times)	8.3	7.7	115.3
Total debt/OPBDIT (times)	14.1	5.4	-133.8
Interest coverage (times)	8.7	1.7	-0.0

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Instrument	Type	Current (FY2026)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Aug 25, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	75.00	[ICRA]BBB (Stable)	-	-	-	-	-	-

### 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 I: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loans	October 2024	10.0% p.a.	October 2031	75.00	[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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