

May 15, 2024

InterGlobe Hotels Private Limited: Change in limits

Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---------------------------------------|-----------------------------------|----------------------------------|---|
| Long-term – Fund-based – Term Loans | 818.30 | 1,046.61 | [ICRA]A (Stable); outstanding |
| Long-term – Fund-based – Cash Credit | 25.00 | 25.00 | [ICRA]A (Stable); outstanding |
| Long-term/Short-term – Non-Fund based | - | 10.00 | [ICRA]A (Stable)/[ICRA]A2+; outstanding |
| Long-term/ Short-term – Unallocated | 241.70 | 3.39 | [ICRA]A (Stable)/[ICRA]A2+; outstanding |
| Total | 1,085.00 | 1,085.00 | |

*Instrument details are provided in Annexure-I

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from InterGlobe Hotels Private Limited (IGH/the company).

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, the liquidity position and rating sensitivities, and key financial indicators: [Click here](#)

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|---|
| Applicable rating methodologies | Corporate Credit Rating Methodology Hotels |
| Parent/Group support | IGH is a 60:40 JV of the InterGlobe Group and the Accor Group. The ratings assigned to IGH factor in the very high likelihood of its parents extending financial support to it because of its strategic importance and close business linkages among them. ICRA also expects the promoters to be willing to extend financial support to IGH out of their need to protect their reputation from the consequences of a Group entity's distress. The promoters also have a consistent track record of extending timely financial support to the company, whenever a need has arisen. |
| Consolidation/Standalone | For arriving at the ratings, ICRA has considered the consolidated financials of IGH. As on December 31, 2023, the company had three subsidiaries that are enlisted in Annexure-II. |

About the company

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 plans to develop 23 hotels (22 budget hotels under the Ibis brand and one upscale hotel under the Novotel brand) in India. Of these, 21 hotels (~3,790 keys) were operational as of December 31, 2023. IGH expects to grow a cumulative inventory of ~4,145 rooms in the next two years across India.

The company's 40% stakeholder, Accor, is a leading player in the global hospitality industry. IGE is one of the promoters of InterGlobe Aviation Limited (IAL), which owns the majority stake in InterGlobe Aviation Limited, India's largest airline with

~60% market share (as of December 2023). IGE, also an established player in aviation management, travel distribution services and ground handling services, is wholly owned by Mr. Rahul Bhatia and family.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Instrument | Type | Current Rating (FY2025) | | | Chronology of Rating History for the past 3 years | | | | | | | |
|----------------------|--------------------------|--------------------------|--|-----------------------------|---|------------------------------|-------------------|-------------------------|---------------------|---------------------|-------------------------|--|
| | | Amount Rated (Rs. Crore) | Amount Outstanding as of December 31, 2023 (Rs. crore) | Date & Rating in FY2025 | | Date & Rating in FY2024 | | Date & Rating in FY2023 | | | Date & Rating in FY2022 | |
| | | | | May 15, 2024 | Apr 17, 2024 | Jan 29, 2024 | Mar 30, 2023 | Mar 20, 2023 | Jun 29, 2022 | Nov 25, 2021 | Jul 13, 2021 | |
| 1 Term loans | Long-term | 1,046.61 | 696.05 | [ICRA]A (Stable) | [ICRA]A (Stable) | [ICRA]A- (Stable) | [ICRA]A- (Stable) | [ICRA]A- (Stable) | [ICRA]BBB+ (Stable) | [ICRA]BBB+ (Stable) | [ICRA]BBB+ (Negative) | |
| 2 Cash credit | Short-term | - | - | - | - | - | [ICRA]A2+ | - | - | - | - | |
| 3 Cash credit | Long-term | 25.00 | - | [ICRA]A (Stable) | [ICRA]A (Stable) | [ICRA]A- (Stable) | - | - | - | - | - | |
| 4 Non-Fund Based | Long term and short term | 10.00 | - | [ICRA]A (Stable)/ [ICRA]A2+ | - | - | - | - | - | - | - | |
| 5 Unallocated Limits | Long term and short term | 3.39 | - | [ICRA]A (Stable)/ [ICRA]A2+ | [ICRA]A (Stable)/ [ICRA]A2+ | [ICRA]A- (Stable)/ [ICRA]A2+ | - | - | - | - | - | |
| 6 Unallocated Limits | Long-term | - | - | - | - | - | [ICRA]A- (Stable) | [ICRA]A- (Stable) | [ICRA]BBB+ (Stable) | [ICRA]BBB+ (Stable) | [ICRA]BBB+ (Negative) | |

Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|---|----------------------|
| Long Term – Fund Based – Term Loans | Simple |
| Long Term– Fund based – Cash Credit | Simple |
| Long-term/ Short-term – Non-Fund based | Very Simple |
| Long Term/Short Term – Unallocated Limits | Not Applicable |

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 Loan-1 | -- | -- | FY2026 | 75.04 | [ICRA]A (Stable) |
| NA | Term Loan-2 | -- | -- | FY2026 | 50.14 | [ICRA]A (Stable) |
| NA | Term Loan-3 | -- | -- | FY2026 | 90.80 | [ICRA]A (Stable) |
| NA | Term Loan-4 | -- | -- | FY2033 | 474.38 | [ICRA]A (Stable) |
| NA | Term Loan-5 | -- | -- | FY2031 | 210.00 | [ICRA]A (Stable) |
| NA | Term Loan-6 | -- | -- | FY2035 | 146.25 | [ICRA]A (Stable) |
| NA | Fund Based Limits | -- | -- | -- | 25.00 | [ICRA]A (Stable) |
| NA | Non-Fund Based limits | NA | NA | -- | 10.00 | [ICRA]A (Stable)/[ICRA]A2+ |
| NA | Unallocated limits | NA | NA | -- | 3.39 | [ICRA]A (Stable)/[ICRA]A2+ |

Source: Company

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

Annexure II: List of entities considered for consolidated analysis

| Company Name | IGH Ownership | Consolidation approach |
|--|---------------|------------------------|
| InterGlobe Hotels Private Limited | Rated entity | Full Consolidation |
| Isha Steel Treatment Private Limited | 100% | Full Consolidation |
| Milagro Infrastructure Private Limited | 100% | Full Consolidation |
| Ashford Properties Private Limited | 66% | Full Consolidation |

Source: Company

ANALYST CONTACTS

Shamsher Dewan
+91 124 4545 328
shamsherd@icraindia.com

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

Rohan Kanwar Gupta
+91 124 4545 808
rohan.kanwar@icraindia.com

Akshay Dangi
+91 124 4545 396
akshay.dangi@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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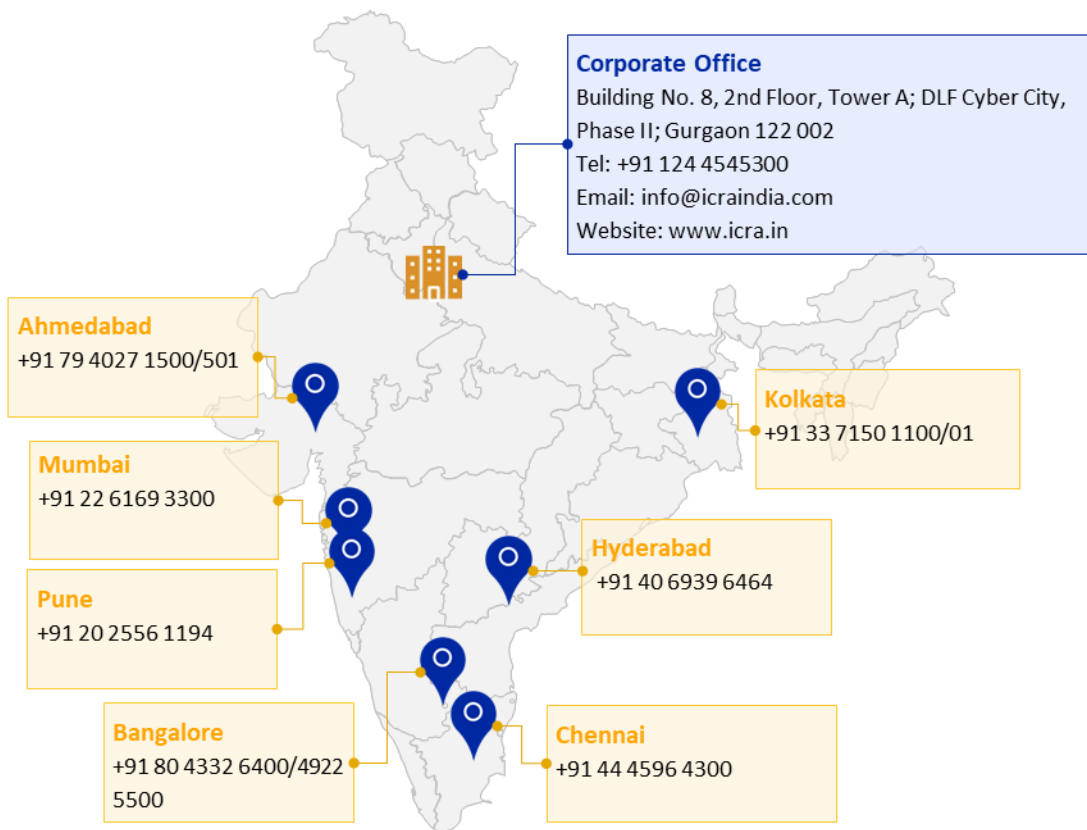
Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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