



Press Release
Trishul Buildtech And Infrastructure Private Limited
September 13, 2024
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	240.00	ACUITE A- Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	240.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE A-**' (read as **ACUITE A Minus**) on the Rs. 240.00 Cr. bank facilities of Trishul Buildtech and Infrastructure Private Limited (TBIPL). The outlook is '**Stable**'.

Rationale for reaffirmation :

The reaffirmation of the rating takes into account the estimated stable operating income and financial performance of the group in FY2024, and healthy financial risk profile. The rating also derives strength from the stable revenue from the hospitality business and steady cash flow generation from ongoing JDA projects and sale of land for the group in FY2024.

The group's revenue stood at Rs.426.79 Cr. in FY2023 as against Rs. 459.10 crore in FY2022. In FY2024 (estimates), the total income is estimated to be around Rs. 490 Cr. The group's operating margins remained in the range of 49 – 57 percent in the last two years ended FY2023.; It is estimated to improve and stood at 54-55 percent in FY2024. The accrual of net profits to reserves resulted in an increase in net worth to Rs. 616.07 Cr. as of March 31, 2023. In FY2024, despite the addition of new debt availed for the vashi project and real estate projects, the gearing is expected to improve based on the higher accretion of profits to reserve.

The rating is, however, constrained by the geographical concentration risk of the group's projects and the inherent vulnerability of the real estate segment to economic slowdowns. The group is primarily engaged in land development and held 565 acres of land as of March 31, 2024. The susceptibility of cash flows to the group's ability to close land pool transactions and obtain timely cash flows from the developers is a key rating sensitivity

About the Company

Trishul Buildtech and Infrastructure Private Limited (TBIPL) is promoted by Mr. K. Prakash Shetty along with his family members, Mrs. Asha P. Shetty, Mr. Gaurav P. Shetty, and Mrs. Anushka Shetty, based out of Bangalore. The company has been engaged in land pooling and/or outright sale to real estate developers and hospitality businesses since 2010.

About the Group

MRG Hospitality & Infrastructure Private Limited

Incorporated in 2008, MRG Hospitality & Infrastructure Private Limited is based in Bangalore & is engaged in the business of real estate & hospitality. The directors of the company include Mr. Asha Prakash Shetty & Mr. Korangrapady Prakash Shetty.

Annakoot Properties Private Limited

Annakoot Properties Private Limited was incorporated in 2003 and its registered office is at Mumbai. The company owns and operates a 96-key four-star hotel under the name,

'Goldfinch Mumbai' in Andheri East, Mumbai. The property has been operational for close to a decade, and is centrally located in proximity to an industrial area and the domestic/international airports in Mumbai. The company is wholly-owned by Trishul Buildtech & Infrastructure Private Limited, and is part of the larger, Bangalore-based MRG Group, which has been in existence for over three decades and is engaged in hospitality and real estate businesses. The directors of the company includes Mr. Korangrapady Prakash Shetty, Mr. Gaurav Prakash Shetty & Mrs. Asha Prakash Shetty.

Goldfinch Hotels Private Limited

Goldfinch Hotels Private Limited, was incorporated in 2000 and operates boutique hotels. Its registered office is at Bangalore & it is managed by Mr. Gaurav Prakash Shetty.

Bean Berry Resorts Private Limited

Bean Berry Resorts Private Limited was incorporated in 2015 in Bangalore. It is involved in hotels, camping sites and other provision of short-stay accommodation. The directors of the company includes Mr. Hadihalli Byregowda Sudarshan & Mr. Gaurav Prakash Shetty.

Hospitality Link Private Limited

Hospitality Link Private Limited was incorporated in 2005 Bangalore. It is mainly into traveler accommodation & food services. The directors of the company includes Mr. Korangrapady Prakash Shetty & Mrs. Asha Prakash Shetty.

Goldfinch Resorts Private Limited

Goldfinch Resorts Private Limited, is based in Goa & was incorporated in 2011. It is engaged in hospitality business and owns a hotel in Goa managed by 'Hilton Worldwide'. The directors of the company includes Mrs. Asha Prakash Shetty, Mr. Korangrapady Prakash Shetty & Mr. Gaurav Prakash Shetty.

Hebbal Project Private Limited

Hebbal Project Private Limited, was incorporated in 2011 in Bangalore. It is a subsidiary company of Goldfinch Hotels Private Limited. It owns a land parcel of 4.16 acres and is engaged in real estate division of the business. The directors of the company includes Mrs. Asha Prakash Shetty & Mr. Korangrapady Prakash Shetty.

Motels & Infrastructure India Private Limited

Motels & Infrastructure India Private Limited was incorporated in 1977 in Karnataka. It is a subsidiary company of Goldfinch Hotels Private Limited. It is into real estate & hospitality division of the business. The company is managed by Mr. Gaurav Prakash Shetty.

Present Infra Private Limited

Present Infra Private Limited is based in Bangalore & was incorporated in 2017. It is also engaged in real estate business as it owns a land parcel of 133.2 acres and plans to develop a resort in future. The directors of the company are Mr. Gaurav Prakash Shetty & Mr. Korangrapady Prakash Shetty.

Sri Raghavendra Hotel Enterprises Private Limited

Sri Raghavendra Hotel Enterprises Private Limited was incorporated in 1975 in Bangalore and is managed by Mr. Korangrapady Prakash Shetty. It owns liquor license and gives the same on rent.

Express Infocom Private Limited

Express Infocom Private Limited was incorporated in 2005 in New Delhi and is a holding company of Trishul Buildtech Private Limited. The directors of the company are Mr. Gaurav Prakash Shetty & Mr. Korangrapady Prakash Shetty

Unsupported Rating

Not applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has considered the consolidated business and financial risk profile of TBIPL, its holding company, subsidiaries and associates mentioned below (Annexure 2) together referred to as the 'MRG Group'. The consolidation is in view of the similar line of business, operational and financial synergies, cross corporate guarantees and common management.

Key Rating Drivers

Strengths

- **Experienced management and an established track record of operations**

MRG Group, founded by Mr. K. Prakash Shetty, is a well-established group with an operational track record of more than three decades in the hospitality and land aggregation business. Mr. Gaurav Shetty is the managing director of TBIPL. He is a hotel management graduate from the Swiss Hotel Management School in Caux, Switzerland, and he has also worked with Taj Lands End in Mumbai, thereby providing a well-rounded experience in the hospitality sector. The long track record of operations and experience of the management have helped the group develop healthy relationships with large developers such as Prestige Group. Acuité believes that the group will sustain its existing business position on the back of an established track record of operations and experienced management.

- **Association with a reputed developer and presence in the hospitality segment through strong brands**

The group is engaged in land aggregation and hospitality businesses. The group has a land bank that had an estimated market value of over Rs. 601 Cr. as on March 31st, 2024. The group entered into a revenue sharing model with Prestige Group in 2013 and has been associated with them on various projects. For the hospitality sector, the group has its own brand named 'Goldfinch' and has tie-ups with reputed international brands such as 'Marriott International Inc.' and 'Hilton Worldwide Holdings Inc. The group operates seven hotels with 692 rooms: five under the Goldfinch brand and one each under the Marriott and Hilton brands. The group is constructing an additional hotel for the Marriott brand in Vashi, Mumbai, for which operations have been started in May 2024. Acuité believes that partnerships with strong international brands should lead to a healthy recovery over the medium term.

- **Steady cash flow from ongoing JDA agreements, deals, and the hospitality segment**

MRG Group derived around 46 percent of its total operating income from its real estate segment and the remaining from hospitality in FY2023. This mix has remained almost similar in the past few years as well. It is estimated that 50 percent of its total operating income from its real estate segment and the remaining from hospitality in FY2024. The majority of real estate business takes place at the TBIPL level. The group has entered into another four JDAs with Prestige Group for Tirupalya Maragondan Halli land, Gunjur/Varthur-Trishul land, Bidlur land, and Navilahalli land. MRG Group is also in negotiation with various other buyers for its existing land holdings. In the hospitality segment, occupancy rates stood at 75 percent in FY2024(Estimates) and 84 percent in FY2023. The group has successfully completed the construction of its hotel in Vashi, Mumbai, and operations are started from May 2024. Acuité believes that steady cash flow from ongoing JDA agreements, deals, and the hospitality segment will be the key monitorable in near to medium term.

- **Healthy financial risk profile**

The group financial risk profile is healthy, marked by healthy net worth, low gearing, and healthy debt protection metrics. The net worth of the group is healthy at around Rs. 616.07 Cr. as on March 31, 2023, as against Rs.485.84 Cr. as on March 31, 2022. It is estimated to be around Rs. 740-765 Cr. in FY2024. The net worth has improved due to the accumulation of profits in reserves. The gearing of the group stood at 0.83 times as on March 31, 2023, as against 0.76 times as on March 31, 2022. It is estimated to be around 0.73 times in FY2024. The debt protection metrics were healthy as observed from Interest Coverage Ratio (ICR) and Debt Service Coverage Ratio (DSCR), which stood at 7.03 times and 3.06 times as on March 31, 2023, as against 8.56 times and 3.41 times as on March 31, 2022, respectively. The estimated ICR and DSCR for FY24 are around 7.21 times and 2.94 times. TOL/TNW of the group stood at 1.12 times and 1.27 times as on March 31, 2023, and 2022, respectively. It is estimated to be 0.98 times in FY2024. Debt-EBTIDA stood at 2.33 times as on March 31st, 2023 as against 1.17 times in March 2022. It is estimated to be 2.08 times in FY2024. Acuité believes that the financial risk profile is expected to be at similar levels over the medium term, considering no debt-funded expansion is planned in the near future.

Weaknesses

- **High competition in the real estate segment; impact of the pandemic on the hospitality sector**

The group is engaged in land development and the hospitality industry. The group has a total of 565 land parcels. The group is primarily a land aggregator and generates sufficient cash inflows through various avenues like the outright sale of land, JDAs, or revenue sharing agreements with large and reputed developers like Prestige Group. The future cash flows of the group will be highly dependent on the group's ability to close land pool transactions and obtain timely cash flows from the developers.

- **Geographic concentration of projects**

The majority of the projects executed by the company are based out of Bengaluru, resulting in significant exposure to geographical and political risk. The company, however, has diversified to an extent to different cities in Karnataka, such as Mangalore and Mysuru, along with the hospitality segment, which has a presence in other states too.

Rating Sensitivities

- Improvement in scale of operations and financial risk profile
- Timely sale of land/plots and income from JDA and subsequent cash inflows.

Liquidity Position: Adequate

The group has generated adequate net cash accruals to service its debt obligations. The net cash accruals stood at Rs.169.81 Cr. in FY2023 as against the repayment of Rs.34.43 Cr. for the same period and expected to generate cash accruals in the range of Rs.185.49-209.84 Cr. during FY2024-25 while their repayment obligations are estimated to be around Rs.38 to 55 Cr. over the same term. Unencumbered cash and bank balances stood at Rs. 0.21 Cr. as on March 31, 2023. The current ratio of the company stood at 2.21 times as on March 31, 2023. Acuité believes that group liquidity is likely to remain adequate over the medium term on account of healthy cash accrual against repayments over the medium term.

Outlook: Stable

Acuité believes that MRG Group will maintain 'stable' credit profile on account of its stable operating performance. The outlook may be revised to 'Positive' in case of significant improvement in the scale of operations along with an improvement in the financial profile. Conversely the outlook may be revised to 'Negative' in case of any significant delay in

monetization of the land parcels or adverse performance in hospitality segment.

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	426.79	459.10
PAT	Rs. Cr.	130.68	173.68
PAT Margin	(%)	30.62	37.83
Total Debt/Tangible Net Worth	Times	0.83	0.76
PBDIT/Interest	Times	7.03	8.56

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
16 Jun 2023	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2+ (Reaffirmed)
	Term Loan	Long Term	7.09	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	100.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	9.93	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	10.33	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	15.83	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	13.18	ACUITE A- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	34.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	9.54	ACUITE A- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	17.00	ACUITE A- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	13.10	ACUITE A- Stable (Reaffirmed)
26 Apr 2022	Term Loan	Long Term	12.01	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	100.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	16.27	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	17.84	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	15.93	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	15.41	ACUITE A- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	8.54	ACUITE A- Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE A- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	17.00	ACUITE A- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	17.00	ACUITE A- Stable (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2+ (Reaffirmed)
16 Apr	Term Loan	Long Term	39.08	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	21.45	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	22.20	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	17.63	ACUITE A- Stable (Reaffirmed)
		Long		ACUITE A- Stable

2021	Term Loan	Term	19.84	(Reaffirmed)
	Term Loan	Long Term	100.00	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	15.82	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	8.92	ACUITE A- (Reaffirmed & Withdrawn)
	Bank Guarantee (BLR)	Short Term	3.98	ACUITE A2+ (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.01	ACUITE A- Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.00	ACUITE A- Stable Reaffirmed
Axis Finance Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Aug 2027	Simple	80.57	ACUITE A- Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2034	Simple	92.54	ACUITE A- Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2035	Simple	12.30	ACUITE A- Stable Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2024	Simple	1.00	ACUITE A- Stable Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2024	Simple	1.46	ACUITE A- Stable Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Aug 2030	Simple	13.17	ACUITE A- Stable Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2028	Simple	10.22	ACUITE A- Stable Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2028	Simple	16.29	ACUITE A- Stable Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 May 2026	Simple	7.44	ACUITE A- Stable Reaffirmed

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr.No.	Company Name
1	MRG Hospitality and Infrastructure Private Limited (MRG-HIPL)
2	Trishul Buildtech and Infrastructure Private Limited (TBIPL)
3	Goldfinch Hotels Private Limited (GHPL)

4	Goldfinch Resorts Private Limited (GRPL)
5	Annakoot Properties Private Limited (APPL)
6	Express Infocom Private Limited (EIPL)
7	Motels and Infrastructure India Private Limited (MIPL)
8	Hebbal Project Private Limited (HPPL)
9	Hospitality Link Private Limited (HLPL)
10	Sri Raghavendra Hotel Enterprises Private Limited (SRHEPL)
11	Goldfinch Warehouse Private Limited
12	Goldfinch real estate Private limited
13	Bean Berry Resorts Private Limited (BBRPL)
14	Chimbel properties Private limited
15	Present Infra Private Limited

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in Moparthy Anuradha Devi Analyst-Rating Operations Tel: 022-49294065 moparthy.anuradha@acuite.in	Varsha Bist Associate Vice President-Rating Administration Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.