

LIFELINE MULTI VENTURES PRIVATE LIMITED

July 07, 2025

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	212.68	CARE BBB-; Stable	Assigned

Details of facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Lifeline Multi Ventures Private Limited (LMVPL) take into account the satisfactory financial performance marked by healthy operating margin of 41.91% in FY25, favourable location of the property, association with Indian Hotels Company Limited (IHCL), presence of escrow mechanism and DSRA for lease rentals, successful track record of promoter group.

However, the above strengths are constrained by its small scale of operations with low net worth base, improving leveraged capital structure amidst continues to remain high, geographical concentration risk, concentrated tenant profile with expiry of lock-in period in most of the agreements, increasing competition, inherent cyclicity risk associated with the hospitality sector, lease termination and lease renewal risk and high exposure to group companies.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant increase in scale of operations with maintenance of PBILDT margin above 42% on a sustained basis.
- Improvement in debt protection metrics with total debt/ PBILDT going below 4x on a sustained basis.
- Improvement in capital structure with overall gearing ratio going below 4x on a sustained basis.

Negative factors

- Decline in scale of operations below Rs.85 crore with PBILDT margin going below 37% on a sustained basis.
- Any moderation in capital structure leading to overall gearing ratio going above 7x on a sustained basis.

Analytical approach: Standalone factoring linkages with DN group.

Outlook: Stable

CARE Ratings expects operational and financial performance to remain steady driven by healthy occupancy, long-term agreements with reputed tenant profile and timely rent escalations.

Detailed description of key rating drivers:

Key strengths

Satisfactory financial performance

The total operating income of the company has grown at a CAGR of around 60.15% from Rs.8.64 crore in FY21 to Rs.91.02 crore in FY25 (Prov). The growth is attributable to both increase in lease rentals from mall division and commencement of the hotel from October 2021 which has led to growth in overall revenue for the company. The PBILDT margin stood at 41.91% in FY25 compared to 28.23% in FY22 backed by commencement of the hotel and gradual ramping up of its operations leading to higher margin. With increase in operating margin, the company was able to absorb its capital costs well, which led to company earning PAT margin of 5.21% in FY25 (Prov.) against net loss margin of 25.61% in FY22.

Favourable location of the property

The hotel is located just 7 km from Bhubaneswar International Airport and 12 km from Railway station making it attractive in Kalinga Vihar, Patrapada. Also, both the mall and the hotel are in the same premises which provides the travellers to enjoy the mall without being required to travel far. Also, there are no major malls in the vicinity of DN Regalia Mall.

Association with Indian Hotels Company Limited

LMVPL has entered into a 29-year agreement in August 2021 with the Taj owned 'Indian Hotels Company Limited' to operate a 5-star Vivanta Hotel, with room inventory of 137 keys, located in Kalinga Vihar, Bhubaneswar.

IHCL's portfolio includes - Taj, SeleQtions, Vivanta, Gateway, Ginger, Tree of Life, amongst others. Spread across more than 12 countries, IHCL has successfully built an unparalleled reputation.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Presence of escrow mechanism and DSRA for lease rentals

As per the terms of the sanction, entire cash flows, including lease rental income, receipt of car parking charges, fit out charges and common area maintenance among others are required to be routed through designated escrow account. The principal and interest payments are also routed through this escrow account. The company is also required to maintain DSRA equivalent to one quarter principal and interest payments. As on March 31, 2025, the outstanding DSRA stood at Rs.4.50 crore.

Successful track record of promoter group

LMVPL is a subsidiary of D N Homes Pvt Ltd (DNHPL), which is a leading real estate company in Odisha. DNHPL, founded by Jagdish Naik, have over 25 years of industry experience. The DN group has developed more than 37 lakh square feet of residential, educational, and hospitality projects through various joint ventures and subsidiary companies. The company derives financial flexibility by virtue of being a part of the DN group.

Key weaknesses**Small scale of operations with low net worth base**

Though the scale of operations of the company has grown at a CAGR of around 60% during FY21-FY25, however, the overall scale of operations continues to remain small at Rs.91 crore in FY25. Furthermore, the net worth of the company remains small at around Rs.38 crore in FY25. Small scale of operations and net worth position limits the financial flexibility of the company in times of needs.

Leveraged capital structure albeit improving debt coverage metrics, amidst continues to remain high

The company's capital structure has remained leveraged over the years, with high overall gearing ratio of 6.01x as on March 31, 2025. The same has eventually improved over the years from 9.87x as on March 31, 2022. Going forward, with scheduled debt repayment and accretion of profits to reserves, the overall gearing ratio is expected to improve eventually.

The debt coverage indicators, though improved, continues to remain high with TDGCA of 15.43x as on March 31, 2025 as against 60.88x as on March 31, 2023. Going forward, with expected increase in GCA and reduction in total debt (with no capex plans of the company), the debt protection metrics are expected to improve. PBILDT interest coverage ratio stood satisfactory at 1.72x in FY25 (0.96x in FY22).

Geographical concentration risk

LMVPL is exposed to geographical concentration risk due to its presence in single location, ie, Bhubaneswar, along with only two assets, Vivanta Hotel and DN Regalia Mall.

Concentrated tenant profile with expiry of lock-in period in most of the agreements

The tenant profile is concentrated with top 10 tenants occupying 61% of the total leased area as on March 31, 2025. Lock-in period in most of the tenant agreements have expired except for five tenants, some of which have been onboarded in FY25. However, the company is dealing with its tenants for a long time and leases are expected to get renewed on expiry given competitive lease rentals, higher occupancy of commercial properties and limited supply in this micro market ensuring tenant stickiness.

Increasing competition & inherent cyclicity risk associated with the hospitality sector

LMVPL faces competition from other luxury segment hotels present nearby like Mayfair Lagoon, Trident Bhubaneswar, Swosthi Premium. The hospitality industry is further exposed to inherent cyclicity & seasonality risk.

Lease termination and lease renewal risk

LMVPL is exposed to lease termination risk as lessee has a right to terminate the lease after expiry of lock-in-period by giving prior notice period. However, these risks are partly mitigated as majority tenants are reputed companies. LMVPL is also exposed to the risk of non-renewal of leases. However, lease agreements with most tenants are for nine years or more. The property is at a prominent location in Bhubaneswar, and hence, new tenant can be easily found, which reduces non-renewal risk to certain extent.

High exposure to group companies

The company has advanced Rs.24.55 crore to its group entities, DNHPL and Luxurio Assets Pvt Ltd as on March 31, 2024 which comprises of around 75% of the net worth position of the company as on that day. Going forward, the management has maintained that no major funds would flow out to the group companies and in the near term, these funds would flow back to the company.

Liquidity: Adequate

The liquidity is marked adequate on account of company generating sufficient cash accruals of Rs.14.65 crore against debt repayment obligation of Rs.9.17 crore in FY25 from the hotel business. Further the company is expected to generate adequate cash accruals to repay its debt repayment obligation of Rs.15.00 crore in FY26.

From the mall business, the company received net cash inflow of Rs.16.26 crore vis-à-vis debt repayment obligation of Rs.15.32 crore (including interest payment). In FY26, the company has debt repayment obligation of Rs.15.63 crore (including interest) against which the company is expected to generate sufficient net cash inflows from the mall business. In case there is any shortfall in repayment, funds would be available from the available cash balance. Furthermore, the management has articulated that fund support from promoters/ parent entity would be there in case of any requirement. Moreover, the company maintains DSRA of Rs.4.50 crore equivalent to one quarter interest and principal payment. The company had cash and liquid investments of Rs.9.63 crore as on March 31, 2025 (including DSRA), providing further liquidity comfort.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Hotels & Resorts](#)

[Financial Ratios – Non financial Sector](#)

[Rating methodology for Debt backed by lease rentals](#)

[Notching by factoring linkages in ratings](#)

[Service Sector Companies](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Services	Leisure Services	Hotels & Resorts

LMVPL, incorporated in December 1989, is a wholly owned subsidiary of DN Homes Private Limited promoted by Mr Jagdish Naik. The company runs a DN Regalia Mall and a 136 key hotel under the brand name of "Vivanta" in association with Indian Hotels Company Limited in Bhubaneswar, Odisha.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	83.94	91.02
PBILDIT	32.94	38.14
PAT	1.17	4.74
Overall gearing (times)	6.55	6.01
Interest coverage (times)	1.52	1.72

A: Audited; UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Brickwork has continued to put the ratings of LMVPL under Issuer non-Cooperation category vide press release dated May 22, 2025, due to non-availability of sufficient information.

Additionally, Infomeric has also continued to put the ratings of LMVPL under Issuer Non-Cooperation category vide press release dated April 04, 2025, due to non-availability of sufficient information.

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	March 2030	212.68	CARE BBB-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	212.68	CARE BBB-; Stable				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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