July 04, 2025 **(Revised)**

Nehru Place Hotels and Real Estates Pvt. Ltd.: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term - Fund-based – Term loan	60.00	60.00	[ICRA]A+ (Stable); reaffirmed
Long-term - Fund-based – Cash credit	200.00	200.00	[ICRA]A+ (Stable); reaffirmed
Total	**260.00**	**260.00**	

**Instrument details are provided in Annexure I*

Rationale

The rating reaffirmation for Nehru Place Hotels and Real Estate Pvt. Ltd. (NPHREPL) factors in the healthy operational performance of its commercial assets and hotel, low debt levels and comfortable debt protection metrics. NPHREPL's commercial assets, Eros Corporate Tower (ECT), in Delhi, and Eros City Centre, in Gurgaon, are favourably located with an estimated occupancy of around 82-85% and 100% respectively as of March 2026. The rating takes comfort from the reputed tenant profile of NPHREPL's commercial assets mitigating the counterparty credit risk to a large extent. The company's hotel in Chandigarh operating under Hyatt Centric brand has witnessed an improvement in occupancy levels to 71% in FY2025 (PY: 65%) and ARR by ~14%, backed by the strong brand/location pull and healthy domestic demand environment. NPHERPL's operating revenues grew by ~11.2% in FY2025 and are likely to further increase by 6-7% in FY2026. Given the low debt levels at Rs. 22.2 crore as of March 2025 (PY: Rs 44.9 crore), the leverage as marked by Total Debt/Cash Flow from Operations (CFO) is expected to remain healthy at around 0.04 times as of March 2026 (PY: 0.32 times). Further, the debt coverage metrics are projected to remain comfortable with a DSCR of 3.6-4.7 times in FY2026-FY2027 (PY: 3.32 times).

The rating, however, remains constrained by the modest scale of operations with total leasable area of about 2.54 lakh sqft and estimated rentals of Rs. 69 crore in FY2026. During Q4 FY2025, the company added ~54,000 sqft of operational leasable area due to additional FSI available in ECT. The rating is constrained by the associated market risk, given that the consolidated vacancy remains at 21% in commercial assets as of March 2025. Nonetheless, these risks are partially offset as the company has signed LOI for around 25,000 sqft of area in Q1 FY2026 and the occupancy is expected to ramp up in the near term. The rating notes the asset concentration risk, given that over 90% of NPHREPL's current rentals are derived from its single commercial project. The company has provided loan and advances to Group entities in the past. Any further material investments or inter-Group transactions, which significantly impacts its leverage, or liquidity will remain a key rating monitorable. In addition, being a cyclical industry, the hotel industry is susceptible to macroeconomic conditions and several exogenous factors, given the discretionary nature of spending, along with the vulnerability in the debt coverage metrics arising on account of the changes in the occupancy and the interest rate risks.

The Stable outlook on long-term rating reflects ICRA's expectation that the company will improve the occupancy of its commercial asset, Eros Corporate Tower and of its hotel property and maintain comfortable debt protection metrics.

Key rating drivers and their description

Credit strengths

Comfortable debt protection metrics – Given the low debt levels at Rs. 22.2 crore as of March 2025 (PY: Rs 44.9 crore), the leverage as marked by Total Debt/CFO is expected to remain healthy at around 0.04 times as of March 2026 (PY: 0.32 times).

Further, the debt coverage metrics are projected to remain comfortable with a DSCR of 3.6-4.7 times in FY2026-FY2027 (PY: 3.32 times).

Favourable location of projects and healthy operational performance of hotel – The rating notes the favourable location of the company's commercial assets – Eros Corporate Tower in Nehru Place, one of the key commercial hubs in Delhi and Eros City Centre in Gurgaon, and James Hotel in Sector 17, Chandigarh. The estimated occupancy of ECT is around 82-85% and Eros City Centre is 100% as of March 2026. The company's hotel in Chandigarh operating under Hyatt Centric brand witnessed an improvement in occupancy levels to 71% in FY2025 (PY: 65%) and ARR by ~14%, backed by the strong brand/location pull and healthy domestic demand environment. NPHERPL's operating revenues grew by ~11.2% in FY2025 and are likely to further increase by 6-7% in FY2026.

Reputed tenant profile – The commercial properties (Eros Corporate Tower and Eros City Centre) consist of reputed tenant profile such as Barclays Bank, Axis Bank, Bank of Bahrain, The Export-Import Bank of Korea, Japan External Trade Organisation, etc, which mitigates the counterparty credit risk to a large extent.

Credit challenges

Modest scale of operations; exposure to market and asset concentration risks – The rating remains constrained by the modest scale of operations with total leasable area of about 2.54 lakh sqft and estimated rentals of Rs. 69 crore in FY2026. During Q4 FY2025, the company added ~54,000 sqft of operational leasable area due to additional FSI available in ECT. The rating is constrained by the associated market risk, given that the consolidated vacancy remains at 21% in commercial assets as of March 2025. Nonetheless, these risks are partially offset as the company has signed LOI for around 25,000 sqft of area in Q1 FY2026 and the occupancy is expected to ramp up in the near term. The rating notes the asset concentration risk, given that over 90% of NPHREPL's current rentals are derived from its single commercial project.

Advances/investment in Group companies – The company has provided loan and advances to Group entities in the past. Any further material investments or inter-Group transactions, which significantly impacts its leverage or liquidity will remain the key rating monitorable.

Vulnerability of operations to cyclicality – The hospitality industry is cyclical, making it susceptible to macroeconomic conditions and several exogenous factors, given the discretionary nature of spending, along with the vulnerability in the debt coverage metrics arising on account of the changes in the occupancy and the interest rate risks.

Liquidity position: Adequate

The company's liquidity profile is adequate, supported by free cash and bank balance of Rs. 59 crore, along with undrawn bank lines of Rs. 200 crore as of March 2025. The company has debt repayment obligation of Rs. 19 crore in FY2026, which is expected to be comfortably met from its cash flow from operations.

Rating sensitivities

Positive factors – The rating could be upgraded in case of significant scale up in the revenues and diversification of the asset portfolio while maintaining strong debt protection metrics and improvement in liquidity position.

Negative factors – The rating may be revised in case of a significant reduction in leasing revenues, or in case of lower-than-expected accruals in the hotel operations leading to deterioration in the debt protection metrics. Also, any further debt funded acquisition leading to deterioration in the liquidity or debt protection metrics will remain a key rating monitorable. Specific credit metric for downgrade includes 5-year average DSCR below 1.5 times and Gross debt/NOI above 3.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	[Corporate Credit Rating Methodology](#) [Realty - Lease Rental Discounting (LRD)](#) [Hotels](#)
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the rating, ICRA has consolidated the cash flows for NPHREPL and James Hotel Limited, given the strong managerial and financial linkages between the two entities.

About the company

Nehru Place Hotels & Real Estate Private Limited (NPHREPL) is a part of the Delhi-based Eros Group promoted by Mr. Ajay Sood and Mr. Raman Sood. Other key entities in the Group include Hotel Excelsior Ltd. (rated [ICRA]A+ (Stable)) and Ajay Enterprises Private Ltd. (rated [ICRA]BBB+ (Stable)/[ICRA]A3+).

NPHREPL owns a commercial property ECT, which is located in Nehru Place, a major commercial hub of Delhi. The total leasable area of ECT is 2,42,133 sqft (excluding self-occupied area of 13,477 sqft) and it has reputed tenants such as Barclays Bank, Axis Bank, Japan External Trade Organisation, etc. In FY2019, NPHREPL purchased around 12,400 sqft of fully-leased commercial area in Eros City Centre (Gurgaon, Haryana), a development being undertaken by a Group company, Ajay Enterprises Private Limited. The property is 100% leased out as on date. In 2020, the company further acquired James Hotel Limited in Chandigarh under IBC proceedings and the hotel has started operations in September 2022 post renovation. The hotel has 145 rooms and the branding and management rights have been awarded to Hyatt Centric with an occupancy of 71% in FY2025.

Key financial indicators (audited)

NPHREPL Standalone	FY2023	FY2024	9M FY2025*
Operating income	60.6	62.9	50.0
PAT	58.6	31.6	47.5
OPBDIT/OI	60.5%	62.7%	63.5%
PAT/OI	96.7%	50.2%	95.1%
Total outside liabilities/Tangible net worth (times)	0.28	0.21	-
Total debt/OPBDIT (times)	1.76	1.13	-
Interest coverage (times)	3.25	6.33	10.60

*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

	Current (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	July 04, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long term	60.00	**[ICRA]A+ (Stable)**	Jun-04, 2024	[ICRA]A+ (Stable)	May-23, 2023	[ICRA]A+ (Stable)	Apr-29, 2022	[ICRA]A+ (Stable)
Cash credit	Long term	200.00	**[ICRA]A+ (Stable)**	Jun-04, 2024	[ICRA]A+ (Stable)	May-23, 2023	[ICRA]A+ (Stable)	Apr-29, 2022	[ICRA]A+ (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term - Fund-based – Term loan	Simple
Long-term - Fund-based – Cash credit	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	**Fund-based – Term loan**	Feb-20	9.65%	**FY2034**	60.00	[ICRA] A+ (Stable)
NA	**Cash credit**	Feb-20	9.65%	**FY2034**	200.00	[ICRA] A+ (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

Company Name	NPHREPL Ownership	Consolidation Approach
James Hotel Limited	100%	Full Consolidation

Source: Company; ICRA Research

Corrigendum

Rationale dated July 04, 2025 has been revised with updation in Key Financial Indicators section on page 3.

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