July 22, 2026

Hotel Excelsior Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long-term – Fund-based – Term loan	16.13	3.75	[ICRA] A+ (Stable); reaffirmed	RBI
Long-term – Fund-based – Working capital limits	20.00	30.00	[ICRA] A+ (Stable); reaffirmed	RBI
Total	**36.13**	**33.75**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The rating reaffirmation for Hotel Excelsior Private Limited (HEPL) factors in the sustained improvement in revenue per available room (RevPARs), supported by the sustained demand in the domestic hotel industry and comfortable debt protection metrics. Under HEPL, there are two hotel properties operating under well-established brands in the premium hotel segment, Shangri La (320 keys) in Central Delhi and Radisson Blu (124 keys) in Faridabad. The RevPARs improved to Rs. 12,060 in FY2026 (PY: Rs. 10,593) and is expected to remain at similar levels in FY2027. The company's consolidated average room rates (ARRs) improved by around 13% in FY2026 and are likely to sustain at elevated levels in FY2027, backed by the favourable location of the assets, strong brand and healthy domestic demand environment. The occupancy of Shangri La stood at 77% and that of Radisson Blu at 68% in FY2026, which is anticipated to remain at similar levels in FY2027. HEPL's revenues are estimated to increase by 2-3% with gross operating profit (GOP) margin expected to sustain at current levels of 40-43% in FY2027. The company's total debt level is likely to remain low and the debt protection metrics are projected to remain comfortable with estimated Total debt/OPBIDTA lower than 0.2 times as of March 2027 (PY: 0.02 times) and DSCR higher than 2.0 times in FY2027. The rating derives comfort from HEPL's experienced promoters and their established position in the hospitality business.

The rating is, however, constrained by the geographical concentration of the company's properties with presence in two micro-markets, thus exposing it to adversities in the concerned area and competition from other properties in the vicinity. The rating factors in the company's modest scale of operations having a room inventory of 444 keys and Hotel Shangri La contributing to around 84-85% of the total revenue in FY2026. HEPL has provided advances to group entities in the past. Any further material investments or inter-Group transactions or debt-funded acquisition, which significantly impacts its liquidity or leverage will remain a key rating monitorable. Further, given the discretionary nature of spending, the Indian hospitality industry is susceptible to macroeconomic conditions, geopolitical scenario, tourist movement and several exogenous factors, leading to inherent cyclicality.

The Stable outlook on the long-term rating reflects ICRA's expectations that the strong brand, healthy RevPARs, along with low debt levels will aid in sustaining comfortable debt protection metrics.

Key rating drivers and their description

Credit strengths

Healthy operational profile with improvement in RevPARs and favourable demand outlook – The RevPARs improved to Rs. 12,060 in FY2026 (PY: Rs. 10,593) and is expected to remain at similar levels in FY2027. The company's consolidated ARRs improved by ~13% in FY2026 and the ARRs are likely to sustain at elevated levels in FY2027, backed by healthy domestic demand environment and favourable location of the assets. The occupancy of Shangri La stood at 77% and that of Radisson Blu at 68% in FY2026, which is expected to remain at similar levels in FY2027. HEPL's revenues are estimated to increase by 2-3% with GOP margin expected to sustain at current levels of 40-43% in FY2027, driven by sustained demand from staycations, weddings and corporate travel. Going forward, higher in-person engagements by corporates, big ticket conferences and seminars, as well as corporate offsite trips that encompass meetings, incentives, conferences, and exhibitions (MICE) activities are expected to benefit the company's overall performance.

Low leverage and comfortable debt coverage metrics – The company's total debt level is expected to remain low and the debt protection metrics are likely to remain comfortable with estimated Total debt/OPBIDTA lower than 0.2 times in as of March 2027 (PY: 0.02 times) and DSCR higher than 2.0 times in FY2027.

Extensive experience of promoters; tie-up with global brands like Shangri La and Radisson Blu – The company benefits from its well-experienced promoters with an established track record of operating in the hospitality market. HEPL has two hotel properties operating under well-established brands in the premium hotel segment, Shangri La (320 keys) in Central Delhi and Radisson Blu (124 keys) in Faridabad. The company's association with international hotel chains provide enhanced brand recognition, access to global reservation systems, strong loyalty programme and extensive experience from the global hospitality industry.

Credit challenges

Modest scale of operations with high geographical concentration – The rating is constrained by the geographical concentration of the company's properties with presence in two micro-markets, thus exposing it to adversities in the concerned area and competition from other properties in the vicinity. The rating factors in the company's modest scale of operations having a room inventory of 444 keys and Hotel Shangri La contributing to around 84-85% of the total revenue in FY2026.

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

Vulnerability of revenues to inherent cyclicality in industry – Given the discretionary nature of spending, the Indian hospitality industry is susceptible to macroeconomic conditions, geopolitical scenario, tourist movement and several exogenous factors leading to inherent cyclicality.

Liquidity position: Strong

The company's liquidity profile is strong, supported by unencumbered cash and bank balance of Rs. 184.2 crore, along with an undrawn working capital limits of Rs. 30 crore as of March 2026. Further, the cash flow from operations will be comfortable to meet its limited debt obligations for FY2027.

Rating sensitivities

Positive factors – The rating could be upgraded in case of improvement in business diversification and significant increase in scale of operations and profitability of the company while maintaining strong leverage and coverage metrics on a sustained basis.

Negative factors – The rating could witness a downward revision in case of decline in the operating performance of the company resulting in adverse impact on the revenues, earnings and debt protection metrics on a sustained basis. Further, any significant investments or any inter-group company transactions or debt-funded acquisition, which would adversely impact liquidity and debt protection metrics will lead to a pressure on the rating. Specific credit metrics of Total Debt/OPBIDTA more than 2.4 times, on a sustained basis, may lead to rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Hotels
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the rating, ICRA has consolidated the financials of Hotel Excelsior Private Limited, along with its subsidiary, given the close business, financial and managerial linkages between the group entities, along with a common treasury team.

About the company

Hotel Excelsior Private Ltd. (HEPL) is part of the Eros Group and is the flagship company of Mr. Raman Kumar Sood & Mr. Ajay Kumar Sood. The company owns Hotel Shangri-La Eros (a five-star deluxe hotel property in Delhi) favourably located at Janpath, near the CBD Connaught Place and includes a shopping plaza with approximately 34,700 sq ft area. It also has a hotel property at Faridabad under the name Radisson Blu, where operations commenced from November 2016 onwards.

Key financial indicators (audited)

HEPL Consolidated	FY2024	FY2025
Operating income	307.84	319.31
PAT	62.6	71.1
OPBDIT/OI	33.42%	34.99%
PAT/OI	20.32%	22.28%
Total outside liabilities/Tangible net worth (times)	0.36	0.28
Total debt/OPBDIT (times)	0.31	0.18
Interest coverage (times)	30.05	44.69

Source: Company, ICRA Research; 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	Current (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
	Type	Amount rated (Rs. crore)	Jul 22, 2026	Date	Rating	Date	Rating	Date	Rating
Term loan	Long Term	3.75	[ICRA] A+ (Stable)	Jul 04, 2025	[ICRA] A+ (Stable)	Jun 04, 2024	[ICRA]A+ (Stable)	May 23, 2023	[ICRA]A (Stable)
Working capital	Long term	30.00	[ICRA] A+ (Stable)	Jul 04, 2025	[ICRA] A+ (Stable)	Jun 04, 2024	[ICRA]A+ (Stable)	May 23, 2023	[ICRA]A (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Fund-based – Term loan	Simple
Fund-based – Working capital limits	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	Financial Sector Regulator#
NA	**Term loan**	May 2021	NA	Jan 2028	3.75	[ICRA] A+ (Stable)	RBI
NA	**Working capital limits**	NA	NA	NA	30.00	[ICRA] A+ (Stable)	RBI

Source: Company

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Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company name	HEPL's ownership	Consolidation approach
Hotel Excelsior Private Limited	100% (rated entity)	Full consolidation
Centurion Real Estate Developers Private Limited	100%	Full consolidation

Source: Company data; ICRA Research

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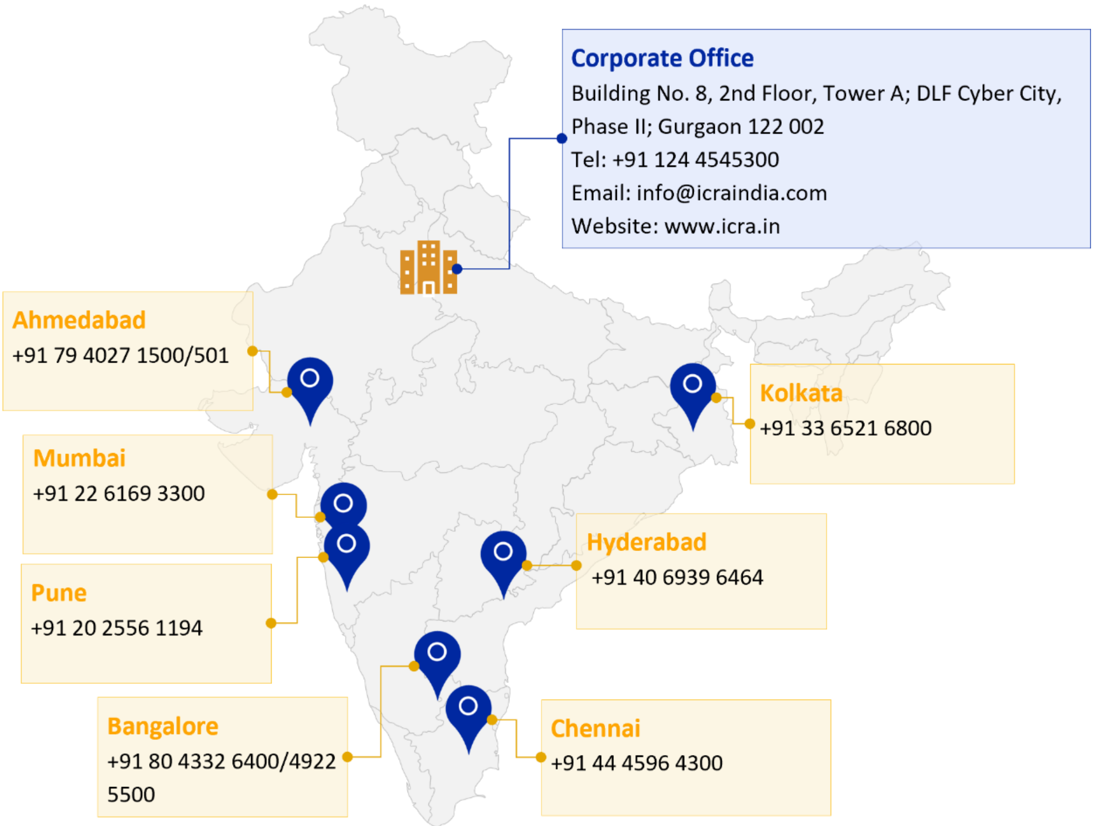

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