July 22, 2026

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	Financial Sector Regulator#
Long-term - Fund-based – Term loan	60.00	60.00	[ICRA] A+ (Stable); reaffirmed	RBI
Long-term - Fund-based – Cash credit	200.00	200.00	[ICRA] A+ (Stable); reaffirmed	RBI
Total	**260.00**	**260.00**		

**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 Nehru Place Hotels and Real Estates Pvt. Ltd. (NPHREPL) factors in the improvement in the occupancy levels of its commercial assets, along with healthy operational performance of the hotel and adequate debt coverage metrics. NPHREPL's commercial assets, Eros Corporate Tower (ECT), in Delhi, and Eros City Square (ECS), in Gurgaon, are favourably located, with improvement in occupancy levels for ECT to 100% as of May 2026 from 78% as of March 2025 and sustained occupancy level of 100% for ECS, which are expected to largely sustain at similar levels for both the assets as of March 2027. 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 a continued improvement in occupancy levels to 77% in FY2026 (PY: 71%) and average room revenue (ARR) by ~8%, which is anticipated to sustain at similar levels in FY2027, backed by the strong brand/location pull and sustained domestic demand environment. NPHERPL's operating revenues grew by around 11% in FY2026 and are likely to further increase by 10-12% in FY2027 due to full-year rental impact of new leases.

The company is undertaking construction of a hotel with a total capex outlay of Rs. 720-750 crore, which is estimated to be funded by a debt-to-equity ratio of 70:30. With the debt-funded capex expected in Q4 FY2027 or Q1 FY2028, the leverage is estimated to increase to 1.70-1.80 times as of March 2027 (PY:0.15 times) and 2.65-2.75 times as of March 2028. However, the debt coverage metrics are projected to remain adequate with a debt service coverage ratio (DSCR) of 1.55-1.70 times in FY2027-FY2028.

The rating, however, remains constrained by the modest scale of operations with operating inflows from commercial assets estimated to be Rs. 78-80 crore in FY2027 and that from the hotel is projected to be around Rs. 85-90 crore in FY2027. The rating is further exposed to execution and funding risks for the upcoming hotel, for which the debt is yet to tied up. The construction of the project is likely to commence from H1 FY2028 with the date of commencement of commercial operations (DCCO) expected to be in FY2032. Nevertheless, ICRA derives comfort from the established track record of the Eros Group in the hospitality market and association with international hotel chains. The rating notes the asset concentration risk, given that over 90% of NPHREPL's current rentals are derived from its single commercial project. Nonetheless, the reputed tenant profile, favourable location of the assets, along with significant fitout cost by tenants, mitigates the risk to some extent. 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 the long-term rating reflects ICRA's expectation that the company will sustain healthy operational performance of its commercial and hotel assets and maintain adequate debt coverage metrics.

Key rating drivers and their description

Credit strengths

Adequate debt coverage metrics – With debt-funded capex expected in Q4 FY2027 or Q1 FY2028 for the upcoming hotel, the leverage is estimated to increase to 1.70-1.80 times as of March 2027 (PY:0.15 times) and 2.65-2.75 times as of March 2028. However, the debt coverage metrics are projected to remain adequate with a DSCR of 1.55-1.70 times in FY2027-FY2028.

Favourable location of projects – 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, enhances the marketability of the assets.

Healthy occupancy levels of commercial asset, healthy operational performance of hotel – The occupancy level of ECT improved to 100% as of May 2026 from 78% as of March 2025 and that of ECS continues to remain at 100%, which are expected to largely sustain at similar levels for both the assets as of March 2027. The comfort is derived 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 witnessed a continued improvement in occupancy levels to 77% in FY2026 (PY: 71%) and ARR by ~8%, which is anticipated to sustain at similar levels in FY2027, backed by the strong brand/location pull and sustained domestic demand environment. NPHERPL's operating revenues grew by around 11% in FY2026 and are likely to further increase by 10-12% in FY2027 due to full-year rental impact of new leases.

Credit challenges

Modest scale of operations; exposure to asset concentration risks – The company is exposed to modest scale of operations with commercial assets having a total leasable area of about 2.54 lakh sqft (lsf) and estimated inflows of Rs. 78-80 crore in FY2027, and hotel property having 144 keys and projected inflows of Rs. 85-90 crore in FY2027. The rating notes the asset concentration risk, given that over 90% of NPHREPL's current rentals are derived from its single commercial project. Nevertheless, the reputed tenant profile, favourable location of the assets, along with significant fitout cost by tenants, mitigates the risk to some extent.

Exposure to project execution and funding risk for upcoming hotel – The company is exposed to execution and funding risks for the upcoming hotel. It is undertaking construction of a hotel with a total capex outlay of Rs. 720-750 crore, which is estimated to be funded by a debt-to-equity ratio of 70:30, for which the debt is yet to be tied up. The construction of the project is expected to commence from H1 FY2028 with DCCO likely to be in FY2032. However, ICRA derives comfort from the established track record of the Eros Group in the hospitality market with association with international hotel chains.

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 cash and bank balance of Rs. 103 crore, along with undrawn bank lines of Rs. 200 crore as of March 2026. It has debt repayment obligation of Rs. 9.5 crore in FY2027, 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 annual DSCRs of below 1.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Leasing 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 and Real Estates 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 Private Limited (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 lsf (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 Square (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 144 rooms and the branding and management rights have been awarded to Hyatt Centric.

Key financial indicators (audited)

NPHREPL Standalone	FY2024	FY2025
Operating income	62.9	66.8
PAT	31.6	38.5
OPBDIT/OI	62.7%	60.5%
PAT/OI	50.2%	57.6%
Total outside liabilities/Tangible net worth (times)	0.21	0.20
Total debt/OPBDIT (times)	1.13	0.69
Interest coverage (times)	6.33	9.10

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

	Current (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Jul 22, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long term	60.00	[ICRA]A+ (Stable)	Jul 04, 2025	[ICRA]A+ (Stable)	Jun 04, 2024	[ICRA]A+ (Stable)	May 23, 2023	[ICRA]A+ (Stable)
Fund-based – Cash credit	Long term	200.00	[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
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	Financial Sector Regulator#
NA	**Term loan**	Feb 2020	NA	FY2034	60.00	[ICRA] A+ (Stable)	RBI
NA	**Cash credit**	Feb 2020	NA	FY2034	200.00	[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	NPHREPL Ownership	Consolidation Approach
James Hotel Limited	100%	Full Consolidation

Source: Company; ICRA Research

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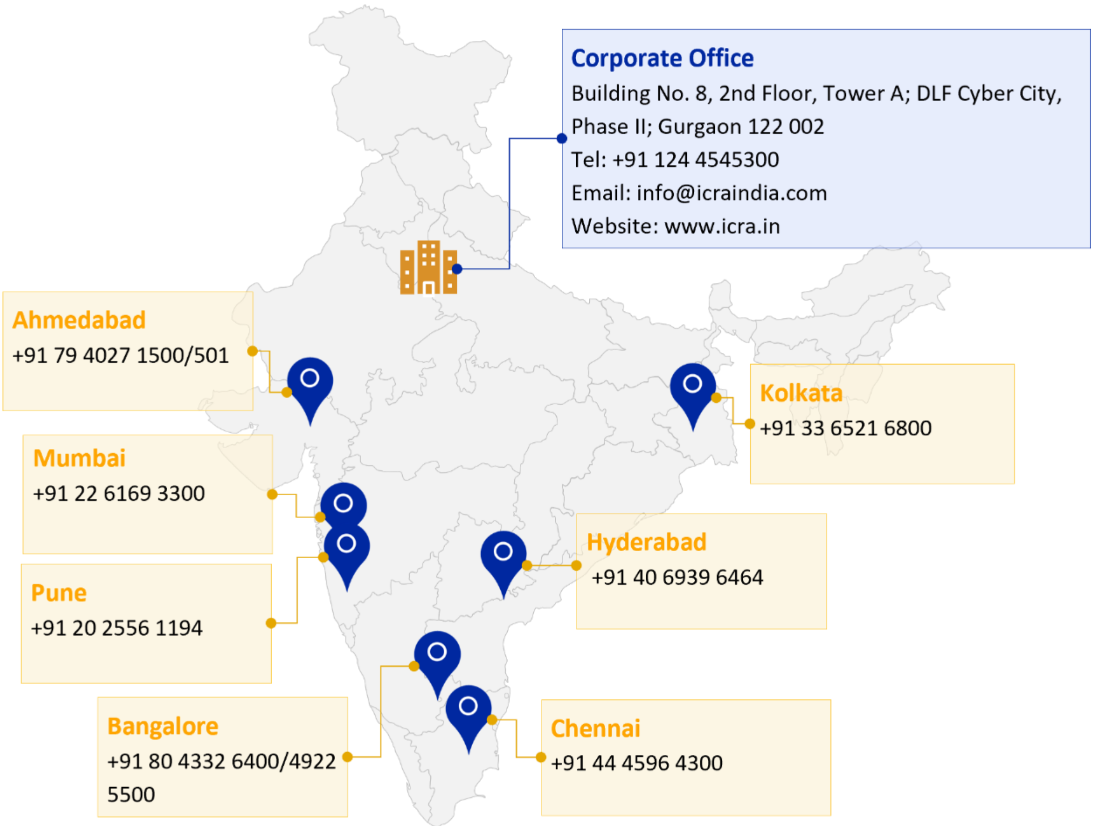

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