

October 19, 2026

SRP Prosperita Hotel Ventures 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 – Cash credit	8.0	8.0	[ICRA]A- (Stable); reaffirmed	RBI
Long term – Fund-based – Term loan	-	35.0	[ICRA]A- (Stable); reaffirmed	RBI
Long term – Unallocated	42.0	7.0	[ICRA]A- (Stable); reaffirmed	RBI
Total	50.0	50.0		

*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 the bank facilities of SRP Prosperita Hotel Ventures Limited (SPHVL) factors in its steady, healthy operating performance, backed by stable occupancy levels and improved ARR, which is likely to continue over the medium term. SPHVL has a single asset, Holiday Inn Chennai, a hotel at OMR IT Expressway. The property is managed by InterContinental Hotels Group (IHG) for operations and is favourably located in the vicinity of various IT companies. The hotel's occupancy remained healthy at ~84% in FY2026 (PY: 84%) and is expected to be at similar levels in FY2027. The company's RevPAR rose by ~10% to Rs. 6,586.2 in FY2026, aided by a similar improvement in ARR levels. As a result, the overall operating income (OI) improved by 9% in FY2026 and is further expected to rise slightly in FY2027, with operating margins of around 38-41% (FY2026: 39.7%). SPHVL had nil external debt as of March 31, 2026, due to repayments in August 2025, supported by loans from BHVL (which were extended from BHVL's IPO proceeds). Subsequently, the company has been sanctioned a fresh external loan of Rs. 35 crore in H1FY2027. This, along with cash flow from operations and on-balance-sheet liquidity, is expected to be utilised to prepay the loan from BHVL. Nonetheless, the total debt coverage and leverage metrics are expected to remain healthy over the medium term.

The rating continues to draw comfort from the company's strong parentage, being a subsidiary of Brigade Hotel Ventures Limited (BHVL, rated [ICRA]A+(Stable)/A1) and a part of the Brigade Group. ICRA expects the parent, BHVL, to provide timely financial support to SPHVL for funding any shortfall, given their substantial financial linkages, SPHVL's strategic importance to the Brigade Group and the Group's reputation sensitivity to default. The Brigade Group has an established track record in the hospitality segment, with a geographically diversified portfolio of 1,604 operational keys across nine hotels managed by reputed global hotel brands in Bengaluru, Chennai, Mysore, Kochi and Ahmedabad.

The rating considers the moderate scale of operations and high geographical and asset concentration risks inherent in a single project company. The rating also considers the vulnerability of its operations to macroeconomic conditions, general economic slowdown and exogenous shocks such as geopolitical crises, terrorist attacks and disease outbreaks, resulting in inherent cyclicity in the business.

The Stable outlook represents ICRA's expectation of SPHVL's consistent operating performance, along with healthy debt protection metrics.

Key rating drivers and their description

Credit strengths

Track record of financial support extended by BHVL – SPHVL is a subsidiary of BHVL, which is 74% owned by Brigade Enterprises Limited (BEL; rated [ICRA]AA (Stable)/[ICRA]A1+), a leading real estate developer in South India. BEL has a diversified business profile, with operations spanning residential and commercial real estate development, leasing of owned office and retail properties, and hospitality. The hospitality segment is a key strategic business division of the Brigade Group. BHVL has extended financial support to SPHVL in the past. ICRA expects the parent, BHVL, to provide timely financial support to SPHVL for funding any shortfall, given their substantial financial linkages, SPHVL's strategic importance to the Brigade Group and the Group's reputation sensitivity to default.

Healthy operating performance – The hotel had sustained healthy occupancy of ~84% in FY2026 and is expected to remain at similar levels in FY2027, supported by its favourable location and the management of operations by IHG under the brand, The Holiday Inn. The company's operating performance is likely to remain healthy, with operating margins of 38-41% (FY2026: 39.7%) and moderate further improvement in OI in FY2027 (FY2026: Rs. 70.7 crore; 9% YoY increase). The company has been sanctioned a fresh external loan of Rs. 35 crore in H1FY2027. This, along with on-balance-sheet liquidity, is expected to be used for prepayment of the loan from BHVL. Further, the company's total debt coverage and leverage metrics are expected to remain healthy over the medium term due to limited reliance on external debt.

Credit challenges

Exposure to geographical and asset concentration risks – The company is exposed to high geographical and asset concentration risks inherent in special purpose vehicles (SPVs), as its sole hospitality project is operated in Chennai.

Vulnerability of hotel revenues to inherent cyclicity, economic uncertainties and exogenous events – The hotel industry remains inherently cyclical, with revenues exposed to macroeconomic conditions, inflation and trends in tourist arrivals. Operations are also vulnerable to exogenous events such as geopolitical conflicts, terrorist attacks, disease outbreaks, etc.

Liquidity position: Adequate

The company's liquidity position is adequate with free cash and liquid investments of ~Rs. 23 crore as on March 31, 2026. Its cash flow from operations is adequate to meet the term loan obligations with no major debt-funded capex plans in the medium term. Any shortfall in debt servicing is expected to be met with the parent entity's support.

Rating sensitivities

Positive factors – A significant increase in scale of operations, along with sustained improvement in RevPAR, while maintaining comfortable debt protection metrics, could trigger a rating upgrade. An improvement in the credit profile of the parent (BHVL) could also result in an upgrade.

Negative factors – A sustained reduction in earnings and/or a significant increase in indebtedness impacting the company's liquidity and debt protection metrics could result in a rating downgrade. Deterioration in the credit profile of the parent (BHVL), or weakening of business linkages or strategic importance of the company for the parent, could exert pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Hotels
Parent/Group support	Parent Company: Brigade Hotel Ventures Limited (BHVL). ICRA expects the parent, BHVL, to provide timely financial support to SPHVL, for funding any shortfall, given their substantial financial linkages, SPHVL's strategic importance to the Brigade Group and the Group's reputation sensitivity to default.
Consolidation/Standalone	Standalone

About the company

SRP Prosperita Hotel Ventures Limited (SPHVL) is a subsidiary of Brigade Hotel Ventures Limited (BHVL), which holds an equity stake of 50.01% in SPHVL (BHVL is a 74% subsidiary of Brigade Enterprises Limited). The remaining stake is held by the promoters of Subramanian Engineering Ltd (SEL). SPHVL operates a hotel in Chennai under the brand Holiday Inn on Old Mahabalipuram Road. The hotel became operational in June 2017.

Key financial indicators (audited)

SRP Prosperita Hotel Ventures Limited (Standalone)	FY2025	FY2026
Operating income	64.7	70.7
PAT	6.9	12.3
OPBDIT/OI	40.8%	39.7%
PAT/OI	10.7%	17.4%
Total outside liabilities/Tangible net worth (times)	0.9	0.7
Total debt/OPBDIT (times)	2.3	2.0
Interest coverage (times)	3.7	4.4

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 rating (FY2027)			Chronology of rating history in past 3 years					
				FY2026		FY2025		FY2024	
	Type	Amount rated (Rs. crore)	Oct 19, 2026	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	35.0	[ICRA]A- (Stable)	Apr 30, 2025	[ICRA]BBB+ (Stable)	-	-	Jan 23, 2024	[ICRA]BBB+ (Stable)
				-	-	-	-	May 30, 2023	[ICRA]BBB (Stable)
Cash credit	Long term	8.00	[ICRA]A- (Stable)	Apr 30, 2025	[ICRA]BBB+ (Stable)	-	-	Jan 23, 2024	[ICRA]BBB+ (Stable)
				Sep 23, 2025	[ICRA]A- (Stable)	-	-	May 30, 2023	[ICRA]BBB (Stable)
Unallocated	Long term	7.0	[ICRA]A- (Stable)	Apr 30, 2025	[ICRA]BBB+ (Stable)	-	-	Jan 23, 2024	[ICRA]BBB+ (Stable)
				Sep 23, 2025	[ICRA]A- (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund-based – Cash credit	Simple
Long term – Fund-based – Term loan	Simple
Long term – Unallocated	Not applicable

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	Cash credit	NA	NA	NA	8.00	[ICRA]A- (Stable)	RBI
NA	Term loan	Jul 2026	8.1%	FY2031	35.00	[ICRA]A- (Stable)	RBI
NA	Unallocated	NA	NA	NA	7.00	[ICRA]A- (Stable)	RBI

Source: Company

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Annexure II: List of entities considered for consolidated analysis- Not Applicable

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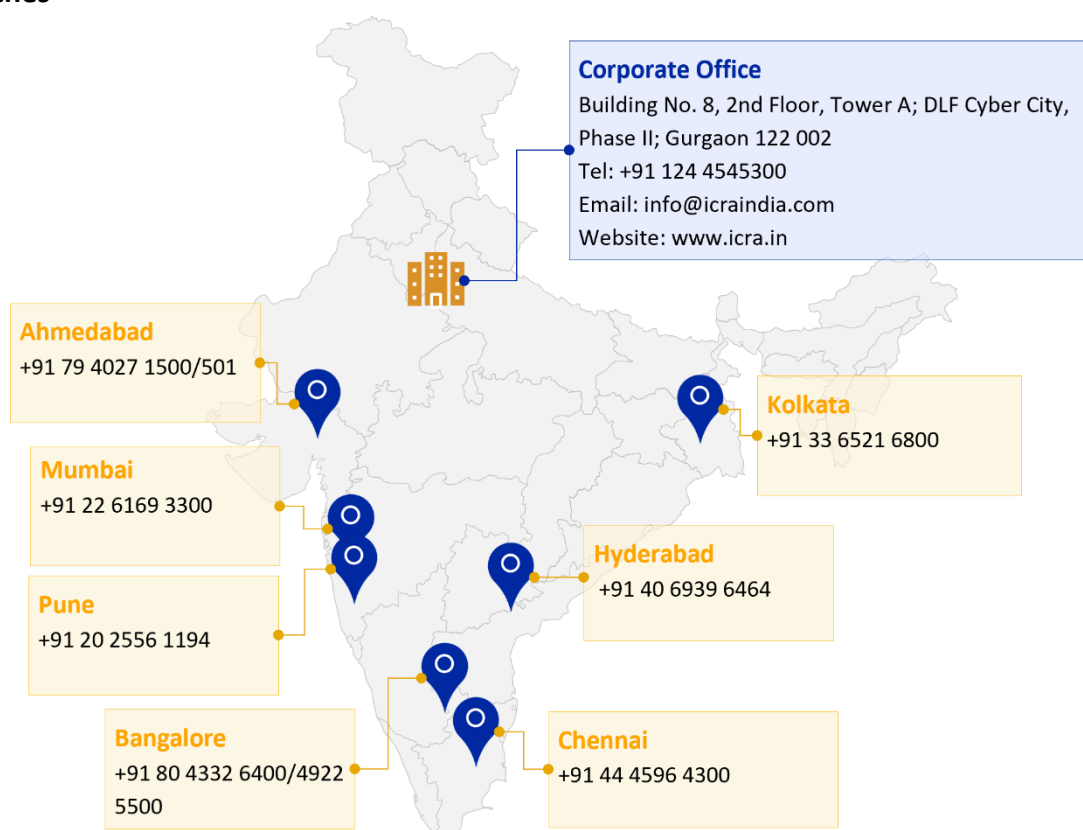
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