

## TBO Tek Limited

September 12, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	35.50	CARE A- (RWD)	Placed on Rating Watch with Developing Implications
Long-term / Short-term bank facilities	405.00	CARE A- / CARE A2+ (RWD)	Placed on Rating Watch with Developing Implications

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Ratings assigned to bank facilities of TBO Tek Limited (TTL) are placed under 'Rating Watch with Developing Implications' following the announcement by the company on the Bombay Stock Exchange as on September 02, 2025, pertaining to acquisition of 100% ownership of Classic Vacations LLC, for purchase consideration of USD 125 million (~₹1,100 crore). The transaction is proposed to be funded through term loan of USD 70 million (₹616 crore), which has already been tied up with Standard Chartered Bank and remaining through internal cash reserves. CARE Ratings Limited (CareEdge Ratings) will continue to monitor developments in this regard and will take a view on the ratings once more clarity emerges on implications of acquisition on the company's credit risk profile.

Ratings continue to derive strength from experienced promoters, management team and well-established market position in air ticketing and hotel segment, with comprehensive product portfolio. Ratings continue to take comfort from the company's comfortable capital structure, as indicated by its low overall gearing. However, with increase in term debt in the medium term is expected to moderate the gearing, however, it is likely to remain below unity. Ratings also take cognizance of sustained operational growth largely driven by increasing gross transaction value (GTV), led by growth in the international hotel business – owing to inorganic growth through strategic acquisitions and focus on increasing sales force internationally. However, ratings continue to remain constrained due to cyclical and fragmented nature of the tour and travel industry, and margins susceptible to volatility in foreign exchange (forex) currency risk.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Sustained growth in scale of operations as envisaged, and sustaining profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 18% while maintaining moderate non-fund-based and fund-based utilisation levels.
- Improvement in total outside liabilities to tangible net worth (TOL/TNW) metric below 3x on a sustained basis.

#### Negative factors

- Increased competition resulting in squeeze in overall take rate below 3.50%.
- Any higher-than-envisaged debt-funded capital expenditure (capex) or acquisition resulting in overall gearing above 0.75x on a sustained basis.
- Materialisation of contingent liability arising out of the adverse final outcome of the show cause notice received for certain non-compliances under Foreign Exchange Management Act (FEMA).

### Analytical approach: Consolidated

CareEdge Ratings has taken a 'consolidated' approach for analytical purpose since TTL and its subsidiaries are engaged in similar line of business and have common management. Entities consolidated are listed under **Annexure-6**.

**Outlook:** Not applicable

### Detailed description of key rating drivers:

#### Key strengths

##### Experienced promoters and management team

Ankush Nijhawan (co-founder of TTL) has graduated from Boston University, US, with a major in marketing and psychology. Gaurav Bhatnagar (co-founder of TTL) is a computer science graduate from IIT (Indian Institute of Technology) Delhi. Promoters'

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

extensive experience in tour and travel industry and Information technology (IT) companies helped the company to ramp up its operations profitably.

### **Well-established market position in the airline ticketing and hotel segment and presence in several countries**

The company has a well-established market position in the airline ticketing and hotel business segments. It currently services over ~50,000 travel agents and has tie up with over 10 lakh hotels across ~150 countries. In FY25 (refers to April 01 to March 31), the company earned 45.90% (PY: 55.90%) of its consolidated GTV from operations in India, while GTV from international operations, contributed balance 54.10% in FY25 (PY: 44.10%). Other than India, the company also has presence in other countries including, Europe, Kingdom of Saudi Arabia, United Arab Emirates, Kuwait, Qatar, Brazil, Egypt, China, and the US.

### **Diversified revenues from different lines of business**

The company has a diversified revenue base with majority revenues being generated from hotel and allied services. The company earns net commission fees from airlines which remain low at 2–3%, whereas in case of hotels, it either receives commission fees or receives net rates from hotels, on which it charges mark up. Fees/mark up in hotels remain at 7–8%.

### **Sustained growth in scale of operations with healthy profitability margins**

The company reported sustained growth in scale of operations in FY25, with topline growth of ~25% year-on-year (y-o-y) to ₹1,737.47 crore (PY: ₹1,392.82 crore); with GTV growing by ~16% y-o-y to ₹30,831.70 crore (PY: ₹26,535.60 crore). Growth in scale and GTV is largely driven by growing hotel and ancillary business, while witnessed moderation in the airline business impacted by macro headwinds. Growth in hotel and ancillary business is underpinned by inorganic growth through strategic acquisitions such as Jumbonline. In Q1FY26 (refers to April 01 to June 30), the company's total operating income (TOI) grew by ~22% y-o-y to ₹511.28 crore (PY: ₹418.46 crore), with GTV of ₹ 8,119.30 crore. Share of hotel and international operations in GTV increased to 62.30% (FY25: 59%) and 55.80% (FY25: 54.10%), respectively in Q1FY26. In terms of profitability, the company's PBILDT margin dipped marginally to 18.10% in FY25 (PY: 19.52%) and 16.50% in Q1FY26 (PY: 21.68%). CareEdge Ratings believe the company's ability to maintain its growth in scale while maintaining its profitability margins will be a key credit monitorable.

### **Comfortable financial risk profile**

The company's capital structure stood comfortable, as marked by overall gearing improved to 0.23x as on March 31, 2025 (PY: 0.78x). Improvement was driven by equity infusion of ₹400 crore through initial public offering (IPO) and accretion of profits to net worth. As on March 31, 2025, the company had outstanding term-loan of ₹135.45 crore taken to partially fund the acquisition cost of ₹226.96 crore for Jumbonline. The company has lease liabilities as part of its total debt. The company has off-balance sheet exposure in form of bank guarantee, which are provided to International Air Transport Association (IATA) and hoteliers for procuring air tickets and in lieu of the hotel booking, respectively. The company continues to have negative operating cycle. Interest coverage and total debt to gross cash accrual (TD/GCA) stood comfortable at 9.61x (PY: 15.04x) and 0.74x (PY: 0.88x), respectively, as on March 31, 2025. CareEdge Ratings expects slight moderation in the company's capital structure, due to debt funded acquisition announced, which is expected to be at comfortable levels only.

### **Key weaknesses**

#### **Exposure to cyclical, seasonality and regulatory risks**

Tour and travel industry is cyclical in nature being sensitive to overall economic conditions. There is seasonality involved in the company's operations, mainly with the hotel business of recently acquired Jumbonline, where revenue gets booked much earlier in second half of the year than check-ins in the first half of the year, because in Europe, a large number of people book their summer holidays much in advance. The company's international operations are subject to risks that are specific to each country and region in which it operates, and risks associated with international operations. These risks include complying with changes in foreign laws, regulations and policies. Countries in which direct and indirect subsidiaries are located may experience economic instability, political uncertainty, inflation, and exchange control restrictions. The industry is also vulnerable to adverse regulatory changes in terms of travel restrictions as seen in the pandemic.

#### **Foreign exchange currency risk**

The company had nearly 59% of the business (GTV) from hotel and allied services in FY25 and balance from air ticketing business. The company reported loss owing to foreign currency fluctuation to the tune of ₹25.72 crore in FY25 (PY: forex loss of ₹5.57 crore). The payment for air ticketing is generally made in Indian rupee to IATA and airlines. For the business originating from India for the international hotels, ~25% payment is done in Indian rupee and balance is done in different currencies. For hedging of the foreign currency risks in India, the company enters forward contracts and levies forex currency mark-ups on travel agents. For hotels business outside of India, while there is natural hedge as company is buying and selling in different currencies, but

company has also started hedging where there is a gap in receipts and payments in different currencies. The company's hedge ratio usually remains between 70-100%. There exists a contingency that may arise out of adverse final outcome of the show cause notice received for certain non-compliances under FEMA. The post-facto approval for regularisation of transactions is awaited from Reserve Bank of India (RBI), post which TTL shall file for fresh compounding application with RBI.

### Highly competitive and fragmented nature of tourism industry leading to intense competition

Indian tours and travel industry is highly fragmented, with large number of unorganised tour operators and established players, MakemyTrip, Expedia, among others resulting in intense competition within the tourism space. With advent of newer forms of booking travel tickets (smart phones, internet, and social media), the company's ability to garner higher sales is critical owing to intense competition prevalent in the industry. However, comfort can be derived from the well-experienced management and established brand presence of TTL.

### Liquidity: Strong

The company has a strong liquidity position as characterised by cash and cash equivalents of ₹1160.09 crore as on March 31, 2025. The sanctioned working capital limits remain unutilized for 12 months ended August 2025. Average utilization of non-fund-based limits bank guarantees stood moderate at ~74% for 12 months ending August 2025. The company has net cash flow from operations of ₹253.25 crore as on March 31, 2025.

**Assumptions/Covenants:** Not applicable

### Environment, social, and governance (ESG) risks

**Environmental:** The company is engaged in providing tech-enabled services facilitating tour and travel. As such, its operations do not directly impact the environment at large. However, the company is committed to implementing practices that minimise environmental impact and contribute to a more sustainable future for all stakeholders. Such practises include supporting and funding renewal energy research at educational institutions, and cleanliness drives, among others.

**Social:** In FY25, the company expended ₹1.28 crore on corporate social responsibility (CSR) activities such as funding school development projects, providing scholarships, sponsoring toilet block enhancements and water tank construction at educational institutions, and training programmes enabling women empowerment, among others.

**Governance:** TTL's senior leadership comprises four independent directors. The Board of directors, through its committees, oversees the ESG initiatives and performance. They are also responsible for ensuring that the company adheres to the statutory and regulatory compliances as applicable.

### Applicable criteria

[Consolidation](#)

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer services	Leisure services	Tour, travel related services

TTL (formerly TBO Tek Private Limited and Tek Travels Private Limited), was founded in 2006 by Ankush Nijhawan and Gaurav Bhatnagar. It operates online platform, Travelboutiqueonline.com (TBO), and has diverse product offerings which include airline reservation, hotel reservation, holiday package deal, rail travel, and travel insurance. It provides an online platform to travel agents globally, which allows them to search and book travel supply worldwide. The platform acts as a bridge between travel suppliers such as airlines, hotels, car rental providers, sightseeing providers on one side and travel buyers such as travel agencies, online travel agencies (OTAs), and to operators on the other side.

Brief Financials (₹ crore) – Consolidated	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	1392.82	1737.47	511.28
PBILDT	271.85	314.40	86.80
PAT	200.57	229.89	62.98
Overall gearing (times)	0.78	0.23	NA
Interest coverage (times)	15.04	9.61	16.50

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results.

Brief Financials (₹ crore) – Standalone	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	543.56	575.94	157.81
PBILDT	97.77	76.48	28.47
PAT	47.18	56.82	16.11
Overall gearing (times)	0.24	0.09	NA
Interest coverage (times)	8.42	6.69	17.25

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results.

**Status of non-cooperation with previous CRA:** Not applicable

**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-Working Capital Limits	-	-	-	-	35.50	CARE A- (RWD)
Non-fund-based - LT/ST-Bank Guarantee	-	-	-	-	405.00	CARE A- / CARE A2+ (RWD)

#### 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	Non-fund-based - LT/ST-Bank Guarantee	LT/ST	405.00	CARE A- / CARE A2+ (RWD)	1)CARE A-; Stable / CARE A2+ (02-Apr-25)	1)CARE A-; Stable / CARE A2+ (02-Apr-24)	-	1)CARE A-; Stable / CARE A2+ (27-Mar-23) 2)CARE BBB+; Stable / CARE A2 (01-Apr-22)
2	Fund-based - LT-Working Capital Limits	LT	35.50	CARE A- (RWD)	1)CARE A-; Stable (02-Apr-25)	1)CARE A-; Stable (02-Apr-24)	-	1)CARE A-; Stable (27-Mar-23) 2)CARE BBB+; Stable (01-Apr-22)

LT: Long 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-Working Capital Limits	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple

**Annexure-5: Lender details**

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

**Annexure-6: List of entities consolidated**

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Tek Travels DMCC	Full	Wholly owned Subsidiary
2	TBO Cargo Private Limited	Full	Wholly owned Subsidiary
3	TBO Holidays Brasil Agencia De Viagens E Reservas LTDA	Full	Step-down Subsidiary*
4	TBO Holidays Hongkong Limited	Full	Step-down Subsidiary*
5	TBO Holidays Europe B.V.	Full	Step-down Subsidiary*
6	TBO Holidays PTE Ltd	Full	Step-down Subsidiary*
7	Travel Boutique Online S.A. De C.V.	Full	Step-down Subsidiary*
8	TBO Holidays Malaysia Sdn. Bhd.	Full	Step-down Subsidiary*
9	TBO Technology Services DMCC	Full	Step-down Subsidiary*
10	TBO Technology Consulting Shanghai Co., Ltd.	Full	Step-down Subsidiary*
11	Tek Travels Arabia for Travel and Tourism	Full	Step-down Subsidiary*
12	TBO LLC	Full	Step-down Subsidiary*
13	BookaBed AG	Full	Step-down Subsidiary*
14	United Experts for Information Systems technology Co.	Full	Step-down Subsidiary*
15	United Experts for Information Systems technology Co.	Full	Step-down Subsidiary*
16	Jumbonline Accommodations & Services, S.L.U.	Full	Step-down Subsidiary*
17	TBO Jumbonline Canarias, S.L.U.	Full	Step-down Subsidiary*
18	TBO Tek Australia Pty Ltd	Full	Step-down Subsidiary*
19	PT TBO Tek Indonesia	Full	Step-down Subsidiary*
20	TBO Tek Greece Single Member Private Company	Full	Step-down Subsidiary*
21	TBO Tek Israel Ltd.	Full	Step-down Subsidiary*

\*Subsidiary of Tek Travels DMCC

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

## Contact us

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Ankur Sachdeva Senior Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3444 E-mail: <a href="mailto:Ankur.sachdeva@careedge.in">Ankur.sachdeva@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Puneet Kansal Director <b>CARE Ratings Limited</b> Phone: 91-120-4452000 E-mail: <a href="mailto:puneet.kansal@careedge.in">puneet.kansal@careedge.in</a></p> <p>Rajan Sukhija Associate Director <b>CARE Ratings Limited</b> Phone: 91-120-4452000 E-mail: <a href="mailto:Rajan.Sukhija@careedge.in">Rajan.Sukhija@careedge.in</a></p> <p>Srishti Jain Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Srishti.jain@careedge.in">Srishti.jain@careedge.in</a></p>
--	--

### About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information, please visit [www.careratings.com](http://www.careratings.com)**