India Tourism Development Corporation Limited

December 18, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Short-term bank facilities	40.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the short-term rating of CARE A1+ assigned to bank facilities of India Tourism Development Corporation Limited (ITDC). The rating continues to derive strength from its strong parentage with majority (87%) of its shareholding is held by Government of India (GoI) as on September 30, 2025, and strategic importance of the company for the GoI as a preferred partner for all events of Ministry of Tourism (MoT) vide a memorandum of understanding (MoU).

The rating further factors in the ITDC's comfortable financial risk profile characterised by its consistent strong capital structure, growing scale of operations with modest profitability margins, and healthy liquidity position with nil external borrowings. The rating factors in the company's diversified operations across hotels (largely through the well-known 'Ashok' brand), event management, tours and travels, and duty-free shops. However, revenue remains largely concentrated in the hotel segment, contributing 55–70% of total income in the last three years, though its share declined from 65.54% in FY24 to 57.99% in FY25. The company has a strong liquidity with free cash and cash equivalents of ₹218.94 crore against nil external debt as on March 31, 2025. CareEdge Ratings expects the company's leverage position to remain strong with no major capex plans. CareEdge Ratings also takes a note that ITDC is holding many marquee properties in the hotel segment by its own and also under its subsidiaries.

The management also indicated that they have several plans under the travel & tour division, which may lead to significantly scaling up revenue from this segment and can be a growth driver going forward.

However, rating strengths are partially constrained by the competitive & cyclical nature of hospitality industry and sizeable contingent liabilities for various tax matters sub judice in the court, which may impact the financial position of the company if materialized.

Rating sensitivities: Factors likely to lead to rating actions

Negative factors

- Decline in total operating income (TOI) below ₹400 crore or operating margin less than 10% on a sustained basis.
- Adverse outcome of the ongoing legal cases, materialising contingent liabilities and impacting the company's financial position.
- Higher-than-envisaged debt-funded capex leading to deterioration in net debt to profit before interest, lease rentals, depreciation and taxation (PBILDT) beyond 0.50x.
- Adverse change in the ownership of ITDC and support from GoI.

Analytical approach: Consolidated

CareEdge Ratings has considered a consolidated view of the parent, ITDC, and its subsidiaries/ joint ventures (JVs) owing to significant business, operational, and financial linkages between the parent and subsidiaries. Details of subsidiaries consolidated are listed in Annexure - 6.

The rating also factors in strong linkages with parent - GoI.

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Majority ownership with GoI and operational support
ITDC is a Central Public Sector Enterprise (CPSE) with a "Miniratna" status. As on September 30, 2025, GoI owned 87.03% of the stake in the company, 7.87% is held by The Indian Hotels Company Limited (rated CARE AA+; Stable / CARE A1+) and rest by public. ITDC is a Government Company under the administrative control of Ministry of Tourism. Functional directors including Chairman and Managing Director/Managing Director (CMD/MD) are selected on the recommendations of Public Enterprises Selection Board (PESB)/ Appointments Committee of the Cabinet (ACC) in accordance with the procedure and guidelines laid down by GoI.

Under Events division, ITDC acts as an Event Management agency for Government entities including Ministries, PSUs, Statutory bodies and private corporates. Ashok Events Division is the designated agency of Ministry of Tourism for handling conferences, workshops, conclaves, award ceremonies and other events of national importance.

ITDC also has an MoU with MoT being engaged as Event Manager for organising all its functions, pan India. Therefore, ITDC holds strategic importance for MoT to do such events. This helps ITDC to maintain its market position and also provides revenue visibility.

Segmentally diversified business operations
ITDC provides one stop solution for Travel, Tourism and Hospitality related needs. Presently, ITDC has a network of three Hotels, one Restaurant, four ATT Units, 14 Duty Free Shops at Sea ports and one Duty free shop at Vizag airport. ITDC also has four JV hotels, which are managed under separate special purpose vehicles (SPVs), these properties are under subsidiaries but are on divestments and does not contribute much to the income and profitability, but these are marquee properties and hold significant land value. This apart, ITDC is also managing catering services at Western Court, Vigyan Bhawan, Hyderabad House and Parliament House. These segments are broadly classified under six separate divisions: hotel & catering, Ashok Events Division, Ashok International Trade Division (Duty-free shops), Ashok Travels & Tours Division, Ashok Consultancy & Engineering Division (ACES) including Sound & Light Shows and Ashok Institute of Hospitality and Tourism Management (AIH&TM).

The Hotel division is the largest contributor towards revenue accounting for ~55-70% of total revenue in the last three fiscal years. Though the company is working towards diversification of its revenue and hotel segmental contribution reduced from 66% of TOI in FY24 to 58% in FY25, which is expected to reduce further in the medium term with expected increase in revenue from travels & tours and event management division. In the hotel division, ITDC owns and operates three hotels, The Ashok, Hotel Samrat in New Delhi, and Kalinga Ashok in Bhubaneswar, constituting of 841 keys in total. The second-highest contributor to revenue has been Event Management, which contributed 27% of TOI in FY25, increasing from 21% in FY24. The management is now focussing on expanding its travel & tour division (currently constitutes ~8% of TOI in FY25, against 6% in FY24) with plans to launch its online portal in the near term. Such diversification of revenue insulates ITDC from slowdown in one of the segments and ensures steady cashflows for the company.

Moderate albeit growing scale of operations and profitability
The company's TOI has been witnessing growth every year since the last four fiscals and registered a healthy compound annual growth rate (CAGR) of ~34% for the last three fiscals ending FY25. In FY25, TOI stood at ₹565.50 crore increased from ₹505.85 crore in FY24, exhibiting a growth of 11% on y-o-y basis. The growth was primarily driven by increasing diversification with increase in revenue from events division.

The company's profitability remains moderated to 14.09% in FY25 (against 17.89% in FY24) owing to lower occupancy levels. Occupancy levels declined from 62% in FY24 to 54% in FY25 in its marque property, Ashoka hotel, as the company undertakes refurbishment activities. Occupancy in Hotel Samrat also reduced from 72% in FY24 to 68% in FY25. However, average room revenue (ARR) improved in FY25 with Hotel Ashok reported ARR of ₹9,820 (PY: ₹8,763) and Hotel Samrat ARR was ₹9,086 (PY: ₹8,485). Lower occupancy and a one-time expense of ~₹8 crore recorded as part of an amicable dispute settlement with New Delhi Municipal Corporation (NDMC), resulted in moderation in profitability margins. Profitability is majorly driven by hotel division, which records profit before interest and tax (PBIT) margin of 26.64% in FY25 against 29.84% in FY24. After hotel division, travel & tour operator has also posted PBIT margin of 30%. In H1FY26, ITDC has recorded revenue of ₹206.24 crore with PBILDT margin to 13.62% considering lower occupancy rate in Hotel Ashok. However, it is expected to improve in the second half of the fiscal and the company is expected to sustainably report PBILDT margin at ~15-16% in the medium term.

Comfortable capital structure
The company's capital structure is comfortable with nil external debt against a modest net worth of ₹352.27 crore as on March 31, 2025. The company though has a fund-based sanctioned limit of ₹15 crore, which remains unutilised. The company plans to

incur capex of ~₹45-50 crore per year for next three fiscal years ending FY28 for refurbishments at Hotel Ashok and Hotel Samrat in New Delhi and maintenance capex, which would be entirely funded through internal accruals. In the absence of debt-funded capex in the medium term, the company's strong capital structure is expected to sustain.

With negligible debt position and modest profitability in FY25, the company's debt coverage metrics also remain robust. Interest coverage ratio was strong at 79.25x (27.98x) in FY25 (FY24) and the company was in net cash position (of ₹218 crore) as on FY25-end. These metrics are expected to remain robust in the medium term with continued cash generation and no major reliance on debt.

Key weaknesses

Significant contingent liabilities

The company has a contingent liability amounting to ₹1134.62 crore that is 3.22x of net worth as on March 31, 2025 (PY: ₹1184.38 crore). Liabilities majorly include dispute with NDMC amounting to ₹475.66 crore, customs demand of ₹185 crore and ₹274 crore of dues not acknowledged as debt against which ITDC has also filed claims of ₹653.86 crore. The matters are largely sub-judice in court. As discussed with the management, majority liabilities do not have legal standing and are not expected to materialise. There has been no instance of such liability arising in the near past.

Competitive and cyclical nature of industry

The hospitality industry is highly fragmented with many local and international players operating across different hotel segments leading to high level of competition in the business. The company is exposed to changes in macroeconomic factors, industrial growth, and tourist arrival growth in India, international and domestic demand-supply scenarios, competition in the industry, government policies and regulations and other socio-economic factors, which leads to inherent cyclicality in the hospitality industry. These risks can impact the company's occupancy rate, and hence, the company's profitability. However, these risks are mitigated by the company through its growing presence in other segments apart from hotels and support from government, allowing it to withstand demand vulnerability related to a particular region.

Adverse event in global/domestic market would lead to fall in willingness to spend on travel/leisure segment, as individuals will prefer to save for future uncertainty rather than luxury. Though the current demand uptrend in the hospitality industry is driven by boost from domestic customers, foreign tourists are required to diversify the customer base and sustain current occupancy levels and ARRs.

Liquidity: Strong

The company's strong liquidity position is characterised by nil external debt repayments against expected gross cash accruals of ₹70-100 crore per year in the medium term. Liquidity is further strengthened by free cash and cash equivalents of ₹207.77 crore (including unencumbered fixed deposit of ₹183.04 crore) as on September 30, 2025. The company also has fund-based sanctioned limit of ₹15.00 crore, which remains unutilised providing an additional buffer for any mismatch in short-term liquidity. The company has planned capex of ~₹45-50 crore per year in the next three fiscals ending FY28 to be funded entirely through internal accruals.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Consolidation
Definition of Default
Factoring Linkages Government Support
Liquidity Analysis of Non-financial sector entities
Hotels & Resorts
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	Hotels and resorts

ITDC is a CPSE under administrative control of the Ministry of Tourism with a "Miniratna" status. As on September 30, 2024, 87.03% stake is held by GoI. Presently, ITDC has a network of three Ashok Group of Hotels, one Restaurant, four ATT Units, 14 Duty Free Shops at Sea ports. ITDC also has four JV hotels managed under separate SPVs, these properties are under subsidiaries but are on divestments and does not contribute much to the income and profitability, but these are marquee properties and hold significant land value. This apart, ITDC is also managing catering services at Western Court, Vigyan Bhawan, Hyderabad House and Parliament House.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	505.85	564.50	206.24
PBILDT	90.47	79.53	28.08
PAT	64.92	81.35	26.36
Overall gearing (times)	0.00	0.00	Not Available
Interest coverage (times)	27.98	79.25	36.48

A: Audited UA: Unaudited; 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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based-Short Term		-	-	-	15.00	CARE A1+
Non-fund-based-Short Term		-	-	-	25.00	CARE A1+

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	Fund-based-Short Term	ST	15.00	CARE A1+	-	1)CARE A1+ (06-Jan-25)	-	-
2	Non-fund-based-Short Term	ST	25.00	CARE A1+	-	1)CARE A1+ (06-Jan-25)	-	-

ST: 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-Short Term	Simple
2	Non-fund-based-Short Term	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	Pondicherry Ashok Hotel Corporation Limited	Full	Subsidiaries
2	Ranchi Ashok Bihar Hotel Corporation Limited*	Full	
3	Punjab Ashok Hotel Company Limited**	Full	
5	Utkal Ashok Hotel Corporation Limited***	Full	

* Operations of the Hotel is closed, and company is under disinvestment process
** Hotel Project is incomplete, and the company is under disinvestment process
*** Operations of the hotel is closed since 2005, and the company is under disinvestment process.

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 for clarifications.

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About us:
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