TBO Tek Limited

December 15, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	630.00	CARE A-; Stable	Assigned
Long-term bank facilities	7.50 (Reduced from 35.50)	CARE A-; Stable	Reaffirmed and removed from Rating Watch with Developing Implications; Stable outlook assigned
Long-term / Short-term bank facilities	511.00 (Enhanced from 405.00)	CARE A-; Stable / CARE A2+	Reaffirmed and removed from Rating Watch with Developing Implications; Stable outlook assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Rating Limited (CareEdge Ratings) has reaffirmed ratings assigned to bank facilities of TBO Tek Limited (TTL) and simultaneously removing the Rating Watch with Developing Implications and assigned a 'Stable' outlook. This action follows successful completion of the acquisition of Classic Vacations LLC (CV) by TTL and effective October 01, 2025, CV will operate as a material step-down subsidiary of TTL. The acquisition was completed for a closing consideration of USD 110.36 million (equivalent to ₹1,050 crore) and was funded through a term loan of USD 70 million (equivalent to ₹630 crore) and remaining through cash accruals.

Reaffirmation of ratings assigned to bank facilities of TTL continue to derive strength from the group's experienced promoters and management team, well-established market position in air ticketing and hotel segment, and a comprehensive product portfolio. Ratings also continue to take comfort from the group's comfortable capital structure, as indicated by its low overall gearing. However, with increase in term debt availed to fund the acquisition of CV, overall gearing is expected to moderate in the medium term, it is likely to remain at comfortable levels. Ratings also take cognisance 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 foreign exchange (forex) currency volatility risk. CareEdge Ratings believes the recently concluded acquisition is expected to further contribute to growth; however, its integration and performance will remain a key credit monitorable in the near-to-medium term.

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 from 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 (together referred to as 'group') are engaged in similar line of business and have common management. Entities consolidated are listed under Annexure-6.

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

Outlook: Stable

"Stable" outlook reflects CareEdge Ratings' opinion that the group will continue to derive benefit from long-standing experience of promoters in the industry.

Detailed description of key rating drivers:

Key strengths

Sustained growth in scale of operations with healthy profitability margins

The group reported sustained growth in scale of operations in FY25 (FY refers to April 01 to March 31), 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 moderation in the airline business was impacted by macro headwinds. GTV's share of hotel and international operations increased to 59% in FY25 (PY: 49.60%). Growth in the hotel and ancillary business is underpinned by inorganic growth through strategic acquisitions.

In H1FY26 (H1 refers to April 01 to September 30), the group's total operating income (TOI) grew by ~24% y-o-y to ₹1,106.71 crore (PY: ₹891.63 crore), with GTV of ₹17,812.40 crore. In terms of profitability, the PBILDT margin marginally moderated to 18.10% in FY25 (PY: 19.52%) and 17.17% in H1FY26 (PY: 20.64%), however, improved in absolute terms. While the recently concluded acquisition of CV is expected to contribute to growth; its integration and performance will remain a key credit monitorable in the near-to-medium term.

Comfortable financial risk profile

The group's capital structure stood comfortable, as marked by overall gearing of 0.21x as on March 31, 2025 (PY: 0.59x), 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 group had outstanding term-loan of ₹135.45 crore taken to partially fund the acquisition cost of ₹226.96 crore for Jumbonline, however, was pre-paid in July 2025. The group also has lease liabilities as part of its total debt. The group 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 group 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.

The acquisition was completed for a closing consideration of USD 110.36 million (equivalent to ₹1,050 crore) and was funded through a term loan of USD 70 million (equivalent to ₹630 crore) and remaining through cash accruals. CareEdge Ratings expects slight moderation in the group's capital structure, due to debt funded acquisition, however, is expected to be at comfortable levels only.

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

The group 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, the group 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 group also has presence in other countries including, Europe, the Kingdom of Saudi Arabia, the United Arab Emirates, Kuwait, Qatar, Brazil, Egypt, China, and the US.

Diversified revenues from different lines of business

The group has a diversified revenue base with majority revenues being generated from hotel and allied services. The group 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 markup. Fees/mark up in hotels remain at 7–8%.

Experienced promoters and management team

Ankush Nijhawan (co-founder of TTL) 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' extensive experience in tour and travel industry and Information technology (IT) companies helped the group ramp up its operations profitably.

Key weaknesses

Exposure to cyclicality, seasonality and regulatory risks

The tour and travel industry is cyclical in nature being sensitive to overall economic conditions. There is seasonality involved in the group'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, because in Europe, a large number of people book their summer holidays much in advance. The group'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 where the group has direct and indirect subsidiaries, 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 group had ~59% of the business (GTV) from hotel and allied services in FY25 and balance from air ticketing business. The group 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 foreign currency risks in India, the group enters forward contracts and levies forex currency mark-ups on travel agents. For the hotels business outside India, while there is natural hedge, as group is buying and selling in different currencies, but the group has also started hedging where there is a gap in receipts and payments in different currencies. The group's hedge ratio usually remains between 70-100%. There exists a contingency that may arise from adverse final outcome of the show cause notice received for certain non-compliances under FEMA. As per the BSE announcement dated April 08, 2025, the group informed that the Reserve Bank of India (RBI) has rejected its application for post-facto approval regarding an alleged violation of FEMA, and the outcome of compounding application with RBI is still awaited. Any adverse final outcome of the show cause notice received for certain non-compliances under FEMA will remain a key monitorable.

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 group'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 group has a strong liquidity position as characterised by cash and cash equivalents of ₹1,768.80 crore as on September 30, 2025, subsequently the acquisition resulted in cash outflow as on October 01, 2025. The group has GCA of ₹287.85 crore in FY25 and is expected to similar range in FY26 against negligible debt repayment obligations. The group has pre-paid the term loan of ₹135.35 crore as on March 31, 2025, taken for Jumboline acquisition in July 2025. The group's cash accruals are further expected to improve supported by additional cash accruals from CV, which became a step-down subsidiary of TTL, effective October 01, 2025. Sanctioned fund-based working capital limits remain unutilised, while non-fund-based limits saw average utilisation of ~70% for 12 months ended October 2025, which provides adequate buffer to the liquidity. The group's current and quick ratio both stood at 1.17x as on March 31, 2025. The group 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 group 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 group 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 group 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 group 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 the 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 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)	H1FY26 (UA)
Total operating income	1392.82	1737.47	1106.71
PBILDT	271.85	314.40	190.05
PAT	200.57	229.89	130.53
Overall gearing (times)	0.59	0.21	NA
Interest coverage (times)	15.04	9.61	13.45

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)	H1FY26 (UA)
Total operating income	543.56	575.94	293.00
PBILDT	97.77	76.48	29.24
PAT	47.18	56.82	25.95
Overall gearing (times)	0.24	0.09	NA
Interest coverage (times)	8.42	6.69	7.58

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-Term Loan	-	-	-	October 2030	630.00	CARE A-; Stable
Fund-based - LT-Working Capital Limits	-	-	-	-	7.50	CARE A-; Stable
Non-fund-based - LT/ ST-Bank Guarantee	-	-	-	-	511.00	CARE A-; Stable / CARE A2+

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	511.00	CARE A-; Stable / CARE A2+	1)CARE A- / CARE A2+ (RWD) (12-Sep-25) 2)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	7.50	CARE A-; Stable	1)CARE A- (RWD) (12-Sep-25) 2)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)
3	Fund-based - LT-Term Loan	LT	630.00	CARE A-; Stable	-	-	-	-

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-Term Loan	Simple
2	Fund-based - LT-Working Capital Limits	Simple
3	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. (LLC)	Full	Step-down Subsidiary*
15	TBO Tek Ireland Limited	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 for clarifications.

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About us:
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