EIH Limited

December 29, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Issuer rating	0.00	CARE AA+; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has assigned the long-term issuer rating to EIH Limited (EIH) at CARE AA+; Stable. The rating derives strength from its experienced promoters and an established market presence evident by a strong brand equity in hospitality industry of "Oberoi" and "Trident" brands. The rating also takes comfort from EIH's geographically and segmentally diversified hotel portfolio, which has strategically enabled it to report consistently improving revenue per available room (RevPAR), which are higher than industry's average for past years. The rating further factors in its growing scale of operations, strong profitability, and return indicators in FY25 (refers to period April 01 to March 31) on a consolidated basis. The strong surge in revenue profile has been aided by recovery in the meetings, incentives, conferences, and exhibitions (MICE) and the corporate travel segments, which have significantly contributed to the positive trajectory of major commercial markets and strong demand from domestic tourism at leisure destinations. The profitability has been slightly impacted in H1FY26 (refers to April 01 till September 30) as demand was soft on the back of geo political issue while cost has inched back due to higher employee benefit expenses and other regular maintenance though revenue remained stable largely due to stable revenue per available room (RevPARs).

Over the medium term, sustained ARR growth, stable occupancy levels, and incremental supply additions are expected to support EIH's revenue growth while maintaining healthy profitability margins. The company benefits from a robust capital structure, characterised by a strong net worth base and low debt (only comprised of lease liabilities), providing high financial flexibility and strong liquidity.

EIH's management has outlined plans to expand its portfolio through a mix of owned and managed contracts. CareEdge Ratings expects the capex in the medium term is to be funded through internal accruals and available liquidity, given the company's healthy net cash position. The management has indicated that no debt is envisaged under current capex plans, and even in the event of opportunistic acquisitions, net leverage (net debt/profit before interest, lease rentals, depreciation and taxation [PBILDT]) is expected to be maintained below 1.5x. Accordingly, coverage and leverage indicators are expected to remain comfortable.

However, the rating remains constrained by the seasonal and cyclical nature of the hotel industry, and its susceptibility to macroeconomic conditions and exogenous factors.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in revenue and sustenance of operating margin leading to cash accruals of over ₹1,600 crore, while maintaining its strong leverage position.

Negative factors

- Overall net debt to PBILDT to be above 1.5x due to increase in debt levels leading to deterioration in leverage and coverage indicators and weakening of liquidity position.
- Sustained decline in the operational parameters – ARR and average occupancy rate (AOR) – of the company.

Analytical approach: Consolidated

For analysing EIH, consolidated financials have been considered due to the presence of common management, brand name, and operational linkages with the subsidiaries and associates which are owning 22 hotels of the group's portfolio of 29 hotels. Consolidated entities as on September 30, 2025 are mentioned in Annexure-6.

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

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectations that the company's credit profile will remain strong supported by its strong brand equity and healthy market position, which will lead to continued healthy cash accruals and will be supported by the favourable outlook for industry.

Detailed description of key rating drivers:

Key strengths

Established presence of Oberoi and Trident brands in the hospitality sector with long track of operations and strong management team

Oberoi Group was founded by Late Rai Bahadur M.S. Oberoi in 1930s. The business was then carried forward by his son, Late Prithvi Raj Singh Oberoi, who received 'Padma Vibhushan', India's second-highest civilian honour, in 2008. He served the group for over six decades, expanding its operations to six countries. Post his demise in 2023, the legacy has now been taken over by his nephew, Arjun Singh Oberoi (Executive Chairman), and son, Vikramjit Singh Oberoi (Managing Director and Chief Executive Officer). Promoter and promoter group together held 32.85% of shareholding as on September 30, 2025, with the promoters' shareholding completely unpledged. This apart, the other shareholders include renowned names, such as Reliance Strategic Business Ventures (holding 18.83%), which is an investment arm of Reliance Industries. CareEdge Ratings has taken cognisance of recent media reports relating to a dispute over the promoter shareholding. The matter is under legal consideration within the family and does not impact the company's operations or financial performance; it continues to be monitorable.

The Oberoi group is one of the pioneers in the Indian hospitality sector and has been in the luxury hospitality business for over six decades in India through its established brands- Oberoi, Trident, and Maidens Hotel. With time, it has expanded into international destinations, including Indonesia, Mauritius, Egypt, and Marrakech. The group has been increasing its presence through an asset-light model by signing operation and management contracts. The company has outlined a clear growth strategy focused on expansion, with plans to add 27 new properties across domestic and international markets by 2030. These properties will be managed by EIH through a mix of direct ownership, joint ventures, and management contracts, supporting scalable growth while maintaining operational control.

Geographically and segmentally diversified hotel portfolio and strategically located properties

EIH's portfolio is characterised by significant geographical diversification with hotels situated across commercial and industrial cities, and leisure destinations. The major hotel brands, premium luxury Oberoi and five-star Trident serve different customer segments. Such diversification insulates the company from revenue risks emanating from region-specific and client segment (tourists, business travellers) specific cyclicality. EIH's business hotels are at strategic locations in or near Central Business Districts (CBDs) across cities, such as Mumbai (Nariman Point, Bandra Kurla Complex), National Capital Region (Zakir Hussain Marg / Gurgaon), and Bengaluru (MG Road), with many within 10 km from the airports. The favourable locations of these hotel properties lend visibility, which combined with their superior connectivity, results in higher occupancy. The leisure properties are situated in the foremost tourist destinations, such as Udaipur, Jaipur, Chandigarh, Shimla (In Q1FY26, pursuant to the High Court of Himachal Pradesh's Order dated June 2, 2025, adjudicating the claims and counter-claims of the parties, the company has adjusted the value of its investment in MRL to ₹13.00 crore), Agra, Chennai, and Bhubaneswar, which besides domestic tourists, attracts a large number of overseas travellers, yielding foreign exchange income. EIH is further expanding in leisure destinations such as Madhya Pradesh, Andhra Pradesh, Goa, Bengaluru, in domestic market and Nepal, London, and Middle east in International. The company currently has 8 projects under planning and development which are expected to complete gradually in next four fiscals. Estimated Capex will be ~₹500-600 crore on annual basis including growth and maintenance capex.

Robust capital structure

EIH's capital structure is robust with low reliance on external debt and a strong tangible net worth (TNW) base of ₹4,340.17 crore as on March 31, 2025. The company has become net debt negative since March 31, 2023. As on March 31, 2025, the company's total debt stood at ₹265.06 crore, which only comprises lease liability, as the company has repaid its entire term loan in FY24. Hence, overall gearing ratio has remained comfortable at 0.06x as on March 31, 2025 (PY: 0.05x). On net basis, company has excess cash and liquidity worth ₹780.50 crore as on March 31, 2025. Gearing is expected to remain strong, with no debt envisaged in the medium term. However, significant debt-funded expansion leading to deterioration in leverage and coverage indicators will remain a key rating monitorable. The company also has a vision of opening up 27 new properties (including managed) by 2030 and currently has 8 under-development projects in national and international markets for next four fiscals. However, the management has guided that capex in the near term will be funded largely through the cash balance and internal accruals of the company. Management has indicated that no debt is envisaged under current capex plans, and even in the event of opportunistic acquisitions, net leverage (net debt/PBILDT) is expected to be maintained below 1.5x. Accordingly, coverage and leverage indicators are expected to remain strong going forward as well.

Consistently improving operational performance in FY25 and H1FY26

EIH's total operating income (TOI) recorded a healthy growth of 8.5% y-o-y in FY25 even on a high base of FY24 (after achieving 24% growth in FY24) and stood at ₹2,743.15 crore in FY25 on a consolidated basis. The company's RevPAR has been on a continuous upwards trajectory in FY25 attributable to a higher improvement in ARR. The average ARR of FY25 for all domestic hotels including managed was recorded at ₹17,929 against ₹17,330 in FY24 supported by continued strong demand from domestic and inbound tourism. However, the average occupancy remained largely stable at ~75% for last three fiscals ending FY25. The company's PBILDT margin also improved to 37.48% in FY25 up from 29.70% in FY23 indicating efficient operations and effective cost management. In H1FY26, the company has recorded total income of ₹1172.12 crore on consolidated basis up from 1116.12 crore in H1FY25. PBILDT margin was ~27.80% in H1FY26 (H1FY25: 27.78%). Though PBILDT remain vulnerable to seasonal industry, general economic cycles and exogenous factors (geo-political crisis, terrorist attacks, disease outbreaks, and others). However, the revenue risk is partially mitigated by EIH's geographically diversified portfolio, allowing it to withstand demand vulnerability related to a particular micro-market.

Key weakness

Macro-economic factors and seasonal uncertainty and competition

The company is exposed to the changes in the macro-economic 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 the company's profitability. However, these risks are mitigated by the company through its extensive presence across the value chain and a strong brand image, allowing it to withstand demand vulnerability related to a particular region except rare case scenarios such as COVID-19 among others. The company operates in a competitive luxury and leisure hospitality landscape; however, its marquee properties, strong brand positioning and differentiated guest offerings have enabled it to effectively mitigate competitive pressures over the year.

Liquidity: Strong

The company's strong liquidity is characterised by nil long-term debt repayments against strong cash accruals of ₹800-900 crore in the medium term. The liquidity is further strengthened by free cash and bank balance of ₹910.01 crore and liquid investments of ₹135.55 crore as on March 31, 2025, on a consolidated basis, and is ₹1,172.15 crore as on September 30, 2025. The company has maintained net cash of ₹794.70 crore on a standalone level as on March 31, 2025. The company also has fund-based sanctioned limit of ₹330 crore, which remains unutilised providing an additional buffer if there is mismatch in short-term liquidity. Given its low overall gearing levels and and strong promoter background, renowned shareholders, strong brand image, EIH has strong financial flexibility in terms of raising low-cost debt from the financial institutions, if needed. EIH is expanding in leisure destinations such as Madhya Pradesh, Andhra Pradesh, Goa, Bengaluru, and Rajgarh in domestic market and Nepal, London, and Middle east in International market.

Environment, social, and governance (ESG) risks

Increasing awareness among consumers for greener environment and equitable society could risk the brand image issues among hoteliers, if there is a significant lapse in ESG metrics relative to peers. Some of the key target areas and the company's achievement against it are as follows:

Environment:

- EIH undertakes several eco-conscious practices across hotels and resorts to minimise the environmental impact and aim to achieve Net Zero by 2050. These include green architecture practices in construction, such as high thermal resistance insulation, reflective tiles, and the use of recycled materials.
- Operational improvements and the introduction of energy-efficient systems were carried out to support rigorous energy conservation efforts.
- Significant initiatives include the deployment of energy efficient pumps, fans and motors, and advanced lighting systems, and sensor-based automation for water faucets. The company also transitioned from diesel to gas for boiler fuel systems, installed waste heat recovery systems (WHRS), and adopted energy efficient heat pumps. In FY25, the company installed heat pumps, energy-efficient chillers, and water conservation devices.

- Additionally, the company has also invested in waste and water management by adopting "3R" model and rain water harvesting systems.

Social:

- The company offers comprehensive support and resources needed to enhance the skills and competencies of its employees. EIH aim to have 100% of permanent employees trained on mandatory and skill development courses by 2026. The company has curated training programmes across topics such as health and safety, upskilling and open-air sessions.
- Employee well-being is also managed by providing flexible working hours, paid parental leave, infant and childcare facilities, and by ensuring comprehensive support for the employees and their families. In the reporting year, the company also conducted a study to understand the best-in-class practices followed in the industry on human rights-related aspects, including policies, assessments, and governance.
- Based on these initiatives, a human rights framework has been implemented across the organisation. The framework will help to seamlessly integrate human rights in day to-day operations and promote effective stakeholder engagement.

Governance:

- The company has a Code of Conduct, which promotes fairness and accountability by requiring adherence to all applicable laws and legal requirements. This includes anti-bribery, anti-corruption measures, and ethical approaches to conflicts of interest.
- To ensure legal compliance, the company has implemented a Whistle-blower Policy for all employees, vendors, and partners in their entire value chain. This policy provides a safe avenue for reporting concerns about corruption and bribery without fear of repercussions.

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Hotels & Resorts
Financial Ratios – Non financial Sector
Service Sector Companies
Issuer Rating

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer services	Leisure services	Hotels and resorts

Established in 1949, EIH is the flagship company of the Oberoi group founded by Late Rai Bahadur M.S. Oberoi. The company is engaged in developing and operating premium luxury hotels in India. The group manages 29 hotels (owns nine hotels while 21 hotels under management contracts) with a room inventory of 4,141 rooms as on June 30, 2025. The company operates the hotels under the brands 'Oberoi' and 'Trident'. The brands are owned by the promoter group company, Oberoi Hotels Private Ltd (OHPL). Apart from the hospitality sector, EIH, also provides catering and kitchen services to airlines, operates restaurants/lounges at international airports, air charter services and car hire/leasing services.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	2,193.73	2,399.87	1172.12
PBILDT	787.85	877.91	314.56
Profit after tax (PAT)	520.90	751.28	36.88
Overall gearing (x)	0.04	0.04	0.04
Interest coverage (x)	48.81	56.40	26.21

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: NA

Any other information: NA

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
Issuer Rating-Issuer Ratings		-	-	-	0.00	CARE AA+; Stable

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	Commercial Paper-Commercial Paper (Carved out)	ST	-	-	-	-	1)Withdrawn (31-Aug-23)	1)CARE A1+ (01-Sep-22)
2	Commercial Paper-Commercial Paper (Standalone)	ST	-	-	1)Withdrawn (27-Nov-25)	1)CARE A1+ (30-Aug-24)	1)CARE A1+ (31-Aug-23)	1)CARE A1+ (01-Sep-22)
3	Issuer Rating-Issuer Ratings	LT	0.00	CARE AA+; Stable				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: NA

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Issuer Rating- Issuer Ratings	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
	Subsidiaries		
1	Mumtaz Hotels Ltd	Full	Subsidiary
2	Oberoi Kerela Hotels and Resorts Ltd	Full	Subsidiary
3	EIH international Ltd	Full	Subsidiary
4	EIH Holdings Ltd	Full	Subsidiary
5	PT Widja Putra Karya	Full	Subsidiary
6	PT Waka Oberoi Indonesia	Full	Subsidiary
7	PT Astina Graha Ubud	Full	Subsidiary
8	EIH London Investments Limited	Full	Subsidiary
	Associates and Joint Ventures		
9	EIH Associated Hotels Limited*	Proportionate	Associate
10	Avis India Mobility Solutions Private Limited (formerly known as Mercury Car Rentals Private Limited)	Proportionate	Joint Venture
11	Oberoi Mauritius Ltd	Proportionate	Joint Venture
12	La Roseraie De L'atlas	Proportionate	Associate
13	Usmart Education Limited	Proportionate	Associate

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:

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

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