

## Orange County Resorts & Hotels Limited

March 31, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	222.73 (Enhanced from 209.73)	CARE A-; Stable	Reaffirmed
Short-term bank facilities	1.00	CARE A2+	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Reaffirmation in ratings assigned to Orange County Resorts & Hotels Limited (OCRHL) factors in stable performance of the company in FY25 (FY refers to April 1 to March 31) marked by growth in scale with income from plantation segment, healthy profitability, and improvement in capital structure supported by prepayment of term debt from proceeds of land sales. Going forward, CARE Rating Limited (CareEdge Ratings) expects capital structure to moderate owing to planned large debt-funded capex mainly towards setting up luxury resort in Maldives, which is under approval process.

Ratings continue to factor in the promoters' extensive experience in the hospitality and plantation industry. Ratings also consider OCRHL's established brand in the luxury and experiential boutique resorts with 'Evolve Back' chain of properties with theme-based properties, in Coorg, Kabini, and Hampi in India and one property in the Central Kalahari region of Botswana in Africa.

However, these rating strengths are constrained considering its financial risk profile marked by moderate capital structure and debt coverage indicators, and project risk associated with debt-funded capital expenditure in the medium term. The rating strengths are tempered considering the company's presence in fragmented and cyclical hospitality industry, and geographical concentration risk.

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

#### Positive factors

- Significant growth in scale of operations with profit before interest, lease rentals, depreciation and taxation (PBILDT) margins above 35% on a sustained basis.
- Diversification of revenue profile with commencement of operations in ongoing projects.

#### Negative factors

- Deterioration in operational metrics and financial performance marked by significant fall in total operating income (TOI) below envisaged levels.
- Weakening of capital structure with overall gearing above 1.5x on a sustained basis.
- Any major time and cost overrun in the ongoing expansion project impacting debt coverage indicators.

### Analytical approach: Consolidated

To arrive at ratings assigned to bank facilities of OCRHL, CareEdge Ratings has taken a consolidated approach, considering OCRHL's four subsidiaries and one step-down subsidiary. Entities considered for consolidation are given in Annexure-6.

### Outlook: Stable

CareEdge Ratings expects OCRHL's sustenance in financial profile in medium term considering its stable performance of luxury resorts having established track record and planned prepayment of term debt. The subsidiary in Botswana, Africa, is expected to report profits in near term, which will add to the OCRHL's consolidated performance.

### Detailed description of key rating drivers:

#### Key strengths

#### Sustained growth in scale of operations led by improved occupancy rates and support from plantation segment, profitability margins continue to remain healthy

OCRHL's scale of operations has demonstrated sustained growth marked by compound annual growth rate (CAGR) ~14% in the last five years ended FY25. In FY25, OCRHL's scale of operations grew by ~26% to ₹178.23 crore from ₹141.77 crore in FY24. This growth was supported by increase in sale of agricultural produce, improved occupancy rate and sustained average room rent (ARR). The ARR of OCRHL's portfolio on a blended basis moderated by ~10% to ₹26,980 in FY25, from ₹30,071 in FY24, however, the average occupancy in the portfolio increased to ~68% in FY25 compared to ~59% in FY24. Moderation in ARR is attributable

<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.

to marketing endeavours undertaken by the management. In 9MFY26, the ARR for the portfolio has improved to ₹30,600 compared to ₹27,750 in 8MFY25 as a result of increase in tariff supported by offering premium experience to customers. OCRHL on a consolidated basis reported an income from the managed properties of ₹114.18 crore in 9MFY26 compared to ₹83.87 crore in 9MFY25. On a consolidated basis, the group reported healthy PBILDT margins of 34.16% in FY25, demonstrating an improvement of ~143 bps over FY24 levels, where it stood at 32.74%. CareEdge Ratings expects TOI to grow at a moderate rate supported by increase in ARR and operationalisation of Mandu project in medium term while profitability is expected to remain healthy considering increase in sales from coffee plantation.

### **Luxurious, boutique, experiential, and thematic properties**

The company operates three luxury properties in India. The 'Evolve Back Coorg' resort (59 keys), is situated in a 300-acre coffee and spice plantation, surrounded by forests and the river Cauvery. The 'Evolve Back Kabini' resort (37 keys) is situated alongside the Kabini river in Karnataka, inspired by the local tribal villages and offers wildlife experiences. The 'Evolve Back Hampi' resort (46 keys) is in the Kamalapur city, with a rustic and palatial property that resembles the grandeur under the Vijayanagar Empire. The company also benefits from the location as there are very few luxury properties within a radius of 20 km in Siddapura, Coorg (location of OCRHL's resort), to compete with. The property is ~100-200 km drive from cities such as Bengaluru, Mysore, and Mangalore. The resort at Kabini is ~200 km from Coorg, while the one in Hampi is 500 km away. The 'Evolve Back Kalahari' resort in Botswana, Africa (11 keys) is situated in the Central Kalahari Game Reserve in Botswana, Africa. It offers a range of luxury, eco-conscious safari lodging tented accommodations and recreational activities. The property also offers unique cultural and wildlife safari experiences. This is managed by OCRHL's wholly owned subsidiary, Orange County Resorts & Hotels (Proprietary) Limited.

### **Experienced promoter group with established brand name**

OCRHL is promoted by Ramapuram Group, traditionally engaged in coffee plantation, spices, cashew, and rubber in Thrissur, Coorg, and Mangalore with a land bank of ~2000 acres. The group is based out of Kerala, having a presence in plantation, food and beverages, hospitality, and recent diversification in the real estate business. The group has an established track record of over three decades. The group is led by Emmanuel Thomas Ramapuram (Chairman), who is a chemical engineer, George Thomas Ramapuram (Managing Director), who looks after the operations and Jose Thomas Ramapuram (Executive director) is responsible for the overall marketing function and played a key role in re-branding 'Evolve Back Resorts'. The promoters are supported by second line of qualified and experienced professionals.

### **Favourable industry outlook**

The hospitality industry is projected to experience growth in the medium term, driven by factors such as healthy population demographics, increasing discretionary expenditure, surge in leisure travel, and increased patronage for restaurant dining. Additionally, demand is bolstered by trends, such as destination weddings, staycations, and business travel. Overall outlook for hotels, restaurants, and the tourism industry remains positive, driven by steady demand and rising travel activity. While factors such as inflation and global economic trends require monitoring, the sector is well-positioned for growth with sustained tourist inflows, healthy occupancy rates, and increasing revenues.

### **Key weaknesses**

#### **Moderate capital structure despite improvement in FY25; further moderation expected with debt-funded capex plans**

OCRHL has a moderate capital structure as on March 31, 2025, marked by overall gearing of 0.99x against 1.73x as on March 31, 2024. The improvement in the capital structure is considering reduction in total debt from ₹279.25 crore as on March 31, 2024, to ₹213.47 crore as on March 31, 2025. The debt largely consisted of a term loan taken for purchasing 2,491 acres of coffee plantation land, which resulted in increased leverage in the capital structure. There are no external debts in the books of subsidiaries. OCRHL's debt coverage indicators also demonstrated improvement marked by total debt to gross cash accruals (TD/GCA) of 3.45x as on March 31, 2025 (PY: 8.01x), and PBILDT-interest coverage ratio improving to 3.17x from 1.94x in the same period. The company plans to avail total term debt to the tune of ₹620 crore for setting up two more properties. Increase in debt is expected to exert pressure of the capital structure till the time operations of the new properties stabilises. Therefore, going forward, the company's ability to generate profits from the newly established properties and timely fund infusion to strengthen tangible net worth will remain a key monitorable.

#### **Project risk associated with debt-funded capital expenditure**

The company is in the process of setting up a resort with 45 keys in Mandu (Madhya Pradesh) for which required land have been acquired from M.P. State Tourism Development Corporation Limited (MPSTDC) under a 90-year lease and construction was proposed to commence by FY23, however, due to water availability issues, the project was delayed. However, after resolution of issues, the construction activity has started in FY25. The project has total cost has increased from ₹95 crore to ₹109 crore, which is planned to be funded by external debt of ₹70 crore, ₹37 crore from internal accruals and ₹2 crore of unsecured loans. The capex is expected to complete by December 2026. Additionally, the company is taking up a project in Maldives to set up a Resort. The project is at a nascent stage where the company has acquired an island. Total project cost is estimated at ₹720 crore, of which ₹550 crore will be funded through term loan and balance ₹170 from mix of internal accrual and promoter infusion. The property will have villas 92-104 and 127 rooms. The project is expected to be completed by H1FY28.

### Geographical concentration

At present, OCRHL has three operational resorts in Karnataka state with moderate total inventory of 142 keys and a 11-key luxury resort in Botswana, Africa, representing a medium scale of operations. OCRHL's presence majorly in single state exposes the company to region-specific event risks. The risk is expected to reduce going ahead factoring the upcoming properties, which are outside Karnataka. The operational commencement of new project in Mandu is expected to begin before FY27 ends followed by resort in Maldives.

### Macro-economic factors and seasonal uncertainty

The company remains exposed to macroeconomic fluctuations, industrial growth trends, tourist arrivals, demand-supply dynamics, industry competition, regulatory changes, and socio-economic factors, which contribute to the inherent cyclicity of the hospitality sector. These risks may affect occupancy rates and consequently, the company's profitability.

### Liquidity: Adequate

The company's liquidity is marked adequate with a scheduled debt repayment obligation of ~₹10 crore for FY26 against an expected GCA in the range of ₹60 crore. Per the lender, the average working capital utilisation for last 12 months ended January 2026 remained in the range of 20-30% and the cash flow from operations remained positive ~₹120 crore in FY25. Also, as on March 31, 2025, the company has ~₹27 crore in unencumbered cash and cash equivalents invested in mutual funds, exhibiting sufficient liquidity.

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

### Applicable criteria

[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](#)

[Short Term Instruments](#)

[Consolidation](#)

### About the company and industry

#### Industry classification

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

Incorporated in 2001, OCRHL provides boutique luxury hospitality services where it currently owns and manages three luxury resorts in Karnataka, India (Coorg resort-59 keys, Kabini resort-37 keys, and Hampi resort-46 keys). The company rebranded its properties to 'Evolve Back' in FY18 from 'Orange County'. The company has an 11-cottage luxury resorts in Botswana, Africa, operational under a wholly owned subsidiary, named 'Orange County Resorts & Hotels Pty. Ltd.', incorporated in FY20. The company is also into real estate and renewal energy (windmill) business, which jointly contribute less than 10% of the annual total income of the company. The real estate business is carried out through its subsidiaries, named Earthetics LLC in US and Earthetics Private Limited in India, which are incorporated in FY21 and FY22, respectively.

Brief Financials- Consolidation (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	141.77	178.23
PBILDT*	46.41	60.89
Profit after tax (PAT)	21.85	56.59
Overall gearing (x)	1.73	0.99
Interest coverage (x)	1.94	3.17

Brief Financials- Standalone (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	138.42	172.93	114.18
PBILDT*	53.18	64.88	N.A.
Profit after tax (PAT)	32.30	42.69	N.A.
Overall gearing (x)	1.45	0.84	N.A.
Interest coverage (x)	2.17	3.26	N.A.

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

\*PBILDT: Profit before interest, lease rentals, depreciation, and tax

**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 - LT-Term Loan	-	-	-	August 2034	217.73	CARE A-; Stable
Fund-based - LT-Working Capital Limits	-	-	-	-	5.00	CARE A-; Stable
Non-fund-based - ST-Bank Guarantee	-	-	-	-	1.00	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	Fund-based - LT-Term Loan	LT	217.73	CARE A-; Stable	-	1)CARE A-; Stable (03-Jan-25)	1)CARE A-; Stable (06-Oct-23)	1)CARE A-; Stable (06-Mar-23)
2	Fund-based - LT-Working Capital Limits	LT	5.00	CARE A-; Stable	-	1)CARE A-; Stable (03-Jan-25)	1)CARE A-; Stable (06-Oct-23)	1)CARE A-; Stable (06-Mar-23)
3	Non-fund-based - ST-Bank Guarantee	ST	1.00	CARE A2+	-	1)CARE A2+ (03-Jan-25)	1)CARE A2+ (06-Oct-23)	1)CARE A2+ (06-Mar-23)

LT: Long term; ST: Short 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 - 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	Keystone Global DMCC	Full	Wholly Owned Subsidiary
2	Orange County Resorts & Hotels (Proprietary) Limited	Full	Wholly Owned Subsidiary
3	Serene Himalayas Private Limited	Full	Wholly Owned Subsidiary
4	Earthitects Private Limited	Full	Subsidiary
5	Earthitects LLC	Full	Step-down Subsidiary

**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.

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