May 29, 2025

Triton Hotels & Resorts Private Limited: Ratings reaffirmed and assigned for the enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	83.60	85.30	[ICRA]A (Stable); reaffirmed and assigned for the enhanced amount
Long-term – non-fund-based limits	10.00	5.50	[ICRA]A (Stable); reaffirmed
Short-term – Fund based limits	5.00	13.00	[ICRA]A2+; reaffirmed and assigned for the enhanced amount
Total	**98.60**	**103.80**	

**Instrument details are provided in Annexure I*

Rationale

The ratings reaffirmation factors in the expectation of a steady operating performance for Triton Hotels & Resorts Private Limited (THRPL), aided by a sustained demand in the hospitality industry. This coupled with the operationalisation of the new hotel under the brand 'Raffles' led to a healthy YoY growth of 29% in revenues in FY2025, with robust profit margins. The ratings continue to favourably factor in THRPL's strong financial risk profile, characterised by strong profit margins, comfortable capital structure and liquidity position. The overall debt levels remain low (with a total debt of around Rs. 55 crore and negative net debt position as of March 31, 2025). Further, aided by the healthy profit margins, the coverage indicators remain robust. ICRA expects the overall debt of the company to remain at low-to-moderate level over the medium term. The cash accruals and reserves are likely to remain healthy and aid the company in maintaining a strong financial risk profile.

The ratings continue to favourably factor in the company's association with the Accor Group, which provides enhanced brand recognition, access to its global distribution system, strong loyalty programme and extensive experience from the global hospitality industry. The ratings also take cognisance of the considerable experience of its promoters in the hospitality industry and their demonstrated support in meeting THRPL's funding requirements. ICRA expects the company's operational metrics to remain healthy and support its cash flow.

The ratings, however, remain constrained by the limited geographical and segmental diversification of the company. Moreover, its presence in a single micro market (i.e., Jaipur) exposes it to the adversities in the local market concerned and competition from other properties in the vicinity. ICRA notes that both the properties are highly dependent on events (primarily weddings) business. Going forward, THRPL's ability to ramp up revenues from the new Raffles hotel will be a key monitorable. Further, the recent cross border escalations may have a lingering effect on the demand for travel and hospitality services in the near term and will remain under focus.

ICRA notes that on September 1, 2023, the Enforcement Directorate (ED) published a press release on completion of raid on various properties of the promoters of THRPL. The ED had reportedly recovered unaccounted cash, in addition to incriminating documents and evidence indicating large-scale unaccounted transactions. Based on discussions with the management, ICRA understands that there have been no adverse findings shared with the company yet regarding the raids and there has not been any material impact on the company's operations or the operations of its bank accounts. ICRA would continue to closely monitor any further development related to this event and take appropriate rating action, if necessary.

The Stable outlook on THRPL reflects ICRA's expectation that TRPL's operating performance will remain satisfactory, leading to a steady revenue growth and healthy profit margins. Besides limited capital expenditure plans and available cash and bank deposits, this will limit its dependance on debt and lead to satisfactory debt coverage.

Key rating drivers and their description

Credit strengths

Owns favourably located five-star luxury hotels in Jaipur – THRPL owns two hotels, which are operated under well-established five-star luxury brands, 'Fairmont' and 'Raffles', and benefits from their location in Kukas near Jaipur, one of the busiest holiday destinations in northern India. Besides, its proximity to the densely populated Delhi National Capital Region (NCR) ensures healthy tourist traffic throughout the year. The same was also seen in the years following the pandemic, when the property has been able to post healthy sequential recovery in occupancy levels due to its favourable and drivable location (from the NCR).

Experienced promoters; association with Accor Group enhances brand recognition – The company benefits from its well-experienced promoters with an established track record of operating in the hospitality market. Besides Fairmont and Raffles, the promoter family also owns two other hotels, one each in Jaipur and Udaipur. Accor Hotels has an established and expanding presence in the country. Besides strong brand recognition, the association provides Fairmont and Raffles properties access to Accor's global reservation systems, a strong loyalty programme and an established client base. This has aided in recording healthy average daily rates and occupancy over the years. Accor also provided project development consultancy services to THRPL for its Raffles project, which aided in timely development of the property and helped it become operational in July 2024.

Healthy financial profile, characterised by steady profitability metrics and limited debt – Aided by its favourable location, THRPL's revenues grew at a healthy rate of around 27% in FY2025 and around 10% in FY2024. The Fairmont property reported a sequential improvement in the average room rates (ARRs) by 14% on a YoY basis in FY2024 over FY2023 and by 27% YoY in FY2025 over FY2024 levels. However, there was some moderation in the occupancy levels to 67% in FY2024 and further down to 61% in FY2025 when compared to 70% in FY2023. The ARR and occupancy for the Raffles property stood at around Rs. 59,000 and 24%, respectively. The operating profit margin improved to around 45.3% in FY2024 from 44.5% in FY2023 and the same is expected to have improved further to 45-47% (as per management's estimates) in FY2025. Over the years, the promoters have demonstrated a track record of providing funding support, as equity or unsecured loans, to fund cash losses, capex or reduce external debt. The same provides comfort regarding the promoter's commitment to the business. The overall debt levels remain low (with a total debt of around Rs. 55 crore as on March 31, 2025) with an estimated interest coverage ratio of 33.4 times and total debt vis-à-vis the operating profit of 0.5 times in FY2025.

Credit challenges

Vulnerability of revenues to inherent industry cyclicality and exogenous shocks – The operating performance of the company remains vulnerable to industry cycles and exogenous shocks (geopolitical crises, terrorist attacks, disease outbreaks, among others). Also, the hotel continues to remain exposed to competition from other luxury hotels in Jaipur. The recent cross border escalations may have a lingering effect on the demand for travel and hospitality services in the near term. That said, the company does not have much dependency on foreign tourists as it derives the major portion of its revenues from destination weddings. Further, April and May being off season, the company did not experience much of an impact. Nonetheless, the situation is still evolving, and any future events will remain under focus.

Modest scale of operations with high geographical concentration – The company has been operating two premium properties in Jaipur, resulting in a modest scale with limited possibility of any significant scale-up of operations. Despite the same, dependence on a single region exposes the company to adversities of the local market, including new supply addition and event risks, among others.

Ongoing investigation by Enforcement Directorate, no material findings yet – On September 1, 2023, the Enforcement Directorate (ED) published a press release on completion of raid on various properties of the promoters of THRPL. The ED had reportedly recovered unaccounted cash, in addition to incriminating documents and evidence, indicating large-scale unaccounted transactions. Based on discussions with the management, ICRA understands that there have been no adverse findings shared with the company yet regarding the raids and there has not been any material impact on the company's operations or its bank accounts. ICRA would continue to closely monitor any further development related to this event and take appropriate rating action, if necessary.

Liquidity position: Adequate

THRPL's liquidity is expected to remain adequate, aided by healthy operational cash flows and supported by cash and liquid investments of around Rs. 135 crore and undrawn overdraft limit of Rs. 13.0 crore as of March 31, 2025. The company has already incurred the entire capex for the Raffles project and, accordingly, the capex outgo over the near term is expected to remain limited towards repair and maintenance. The company has limited repayment obligations of around Rs. 13 crore in FY2026, around Rs. 10 crore in FY2027 and around Rs. 9 crore in FY2028. ICRA expects the cash flows and liquidity buffer to be more than sufficient for covering the operating and repayment obligations over the near term.

Rating sensitivities

Positive factors – A sustained improvement in operational performance and profitability indicators (in terms of scale and margins), leading to significant improvement in liquidity and leverage metrics, could be a trigger for a rating improvement.

Negative factors – Negative pressure on THRPL's rating could arise from prolonged weakness in operating metrices, resulting in sustained weakening of debt servicing indicators and its liquidity position. Specific credit metrics would include total debt vis-à-vis operating profit of over 2.0 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Hotels
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Incorporated in March 2007, THRPL owns two five-star deluxe hotels in Kukas, Rajasthan (on the Delhi-Jaipur Highway), under Accor's 'Fairmont' and 'Raffles' brands. The Fairmont property has been operational since August 2012 with an inventory of around 245 rooms, of which 46 rooms were added and launched in November 2017. The Raffles property commenced operations on July 1, 2024, and has an inventory of around 50 rooms. The properties also offer facilities like banquet space, meeting rooms, swimming pool, fitness centre, spa and dining options through restaurants and bars. THRPL is promoted by Mr. Ratankant Sharma, whose family also owns Le Meridien in Jaipur and Raffles in Udaipur, Rajasthan.

Key financial indicators (audited)

Triton Hotels & Resorts Private Limited (Standalone)	FY2023	FY2024	FY2025*
Operating income	186.7	206.0	266.6
PAT	55.8	49.6	84.6
OPBDIT/OI	44.5%	45.3%	45.2%
PAT/OI	29.9%	24.1%	31.7%
Total outside liabilities/Tangible net worth (times)	0.3	0.3	0.4
Total debt/OPBDIT (times)	0.4	0.3	0.5
Interest coverage (times)	25.7	38.0	33.4

*Source: Company, ICRA Research; *Estimated numbers; All ratios as per ICRA's calculations; Amount in Rs. crore*
PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current rating (FY2026)				Chronology of rating history for the past 3 years					
			FY2026	FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	May 29, 2025	Date	Rating	Date	Rating	Date	Rating
Long-term – Fund based – Term loan	Long term	85.30	[ICRA]A (Stable)	-	-	Feb 29, 2024	[ICRA]A (Stable)	Nov 28, 2022	[ICRA]A- (Stable)
						Sep 12, 2023	[ICRA]A-(Stable)		
Long-term – non-fund-based limits	Long term	5.50	[ICRA]A (Stable)	-	-	Feb 29, 2024	[ICRA]A (Stable)	Nov 28, 2022	[ICRA]A- (Stable)
						Sep 12, 2023	[ICRA]A- (Stable)		
Short-term – Fund based limits	Short term	13.00	[ICRA]A2+	-	-	Feb 29, 2024	[ICRA]A2+	Nov 28, 2022	[ICRA]A2+
						Sep 12, 2023	[ICRA]A2+		

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund based – Term loan	Simple
Long-term – Non-fund-based bank facilities (Bank Guarantee)	Very Simple
Short-term – Fund based bank facilities (Overdraft)	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	**Term Loan-I**	Jan 21, 2020	NA	Nov 2029	60.00	[ICRA]A (Stable)
NA	**Term Loan-II**	Dec 23, 2020	NA	Mar 2026	11.80	[ICRA]A (Stable)
NA	**Term Loan-III**	Dec 23, 2020	NA	Oct 2027	11.80	[ICRA]A (Stable)
NA	**Term Loan-IV**	Feb 22, 2024	NA	Jun 2027	1.70	[ICRA]A (Stable)
NA	**Bank Guarantee**	Jan 21, 2020	NA	NA	5.50	[ICRA]A (Stable)
NA	**Overdraft Limit**	Jan 21, 2020	NA	NA	13.00	[ICRA] A2+

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not applicable

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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