

**August 13, 2025**

## **Orange County Resorts & Hotels Limited: [ICRA]A- (Stable)/[ICRA]A2+; Rating assigned**

### **Summary of rating action**

<b>Instrument*</b>	<b>Current Rated Amount (Rs. crore)</b>	<b>Rating Action</b>
<b>Long Term / Short Term-Unallocated Limits</b>	100.00	[ICRA]A- (Stable)/[ICRA]A2+; assigned
<b>Total</b>	<b>100.00</b>	

*\*Instrument details are provided in Annexure-I*

### **Rationale**

The ratings assigned to Orange County Resorts & Hotels Limited (OCRHL or the company) factor in the extensive experience of its promoters in the plantation and hospitality business, the company's established brand equity in the luxury hospitality space with its 'Evolve Back' brand and steady earnings generated from its operational properties at Coorg, Kabini and Hampi. The company operates more than 150 keys across three resorts in Karnataka and one in Botswana under the Evolve Back brand. It has been able to command industry-leading average room rentals (ARRs) of Rs. 27,000-30,000 and revenue per available room (RevPAR) of Rs. 17,500-18,500 over the past three years with OCRHL's positioning as a boutique luxury hospitality player. The favourable locations of its three properties in India and limited regional competition in the luxury segment continue to drive steady earnings for OCRHL, which is expected to continue going forward as well.

OCRHL's promoters have more than 100 years of experience in the plantation sector across coffee, rubber, spices, cashew and others. The company also ventured into the plantation business in FY2024 by acquiring 2,491 acres of coffee plantation from the Wadia Group for a consideration of Rs. 314 crore, which was partially debt-funded through a Rs. 260-crore term loan. While this significantly increased the company's leverage in FY2024, it subsequently prepaid a large part of the term loan (Rs. 158 crore outstanding currently) through partial monetisation of the coffee estates and intends to further pare down the debt level in the current fiscal. The presence of these large coffee estates on the company's books provides it with significant financial flexibility to raise funding for its expansion plans, besides the revenue diversification benefits, with the income generated from the plantation augmenting its existing revenues from the hospitality business.

The ratings, however, remain constrained by OCRHL's relatively modest scale of operations with an aggregate inventory of 154 rooms at present. Further, with limited geographical diversification, it is exposed to localised downturns or unforeseen events or region-specific risks. Like other players in the industry, its revenues are also exposed to industry cyclicity and seasonality, macroeconomic downturns and exogenous factors (geopolitical tensions, terrorist attacks, disease outbreaks, etc). The company has planned for greenfield expansions through a 45-key resort in Mandu, Madhya Pradesh and a 102-key resort in the Maldives to mitigate geographical concentration and expand its operations. The new properties are expected to enhance revenue growth and diversification prospects for the company over the medium term. However, it exposes the company to project execution risks and will result in increased leverage as the cumulative project cost is approximately Rs. 800 crore, which includes significant term debt funding as well. The company's ability to execute these projects without material time and cost overruns, while maintaining a prudent funding mix for the projects and the terms of the debt-funding, would remain key monitorables. Further, the timely ramp-up of earnings from the new properties once commercialized would remain critical to meet the debt servicing obligations of these incremental loans. ICRA expects the promoters to remain prudent in managing the company's overall leveraging and selectively monetise the coffee estates on a need-basis, in order to partially meet the funding requirements of new projects and limit the reliance on external borrowings to levels that are serviceable from existing operations.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company's credit profile will sustain, supported by its cash accruals from existing properties and adequate liquidity position amid favourable outlook for the industry.

## Key rating drivers and their description

### Credit strengths

**Extensive experience of promoters in the plantation and hospitality industries** – OCRHL is promoted by members of the Ramapuram family, who bring over 100 years of experience in the plantation business and more than 30 years in hospitality. Gradually, they have also diversified into the real estate and food and beverages sectors over the years. Leveraging the promoter's extensive industry knowledge, the company has been able to expand its hospitality offerings over the years and establish 'Evolve Back' as a coveted name in the boutique luxury hospitality sector. Moreover, the promoters are resourceful with large landholdings of plantations across rubber, coffee, black pepper, cashew and spices through various Group companies.

**Established brand equity with proven ability to command premium pricing for its hotel properties** – Over the years, Evolve Back has established a niche for itself as a brand operating in the boutique luxury hospitality space, and has been able to command a healthy pricing premium for its offerings, relative to other hospitality players in the vicinity. Accordingly, OCRHL has been able to command ARR of Rs. 27,000-30,000 and RevPARs of Rs. 17,500-18,500 over the past three years for its three operational properties in India. Given the established brand equity and recall, especially within its target market of High Net-worth Individuals (HNI) and foreign tourists, the company is expected to continue operating at a premium to the industry going forward as well.

**Steady earnings from existing mature properties at favourable locations** – OCRHL's properties at Coorg, Kabini and Hampi have been operational since 1994, 2007 and 2016, respectively, and are mature properties, generating steady earnings of around Rs. 50 crore annually. Further, there is no long-term debt outstanding against these properties. While the property in Botswana is relatively new and is yet to break even, the current scale of operations and losses is relatively smaller. Moreover, with the property renovation concluded, it is expected to ramp up and break even in the current fiscal and be self-sustaining. The plantation business acquired in FY2024 has also started contributing to revenues and earnings, which is expected to improve going forward with measures being undertaken to improve crop yields and revenues from alternate streams such as pepper, timber etc.

**Financial flexibility from large land parcels available for monetisation** – The company acquired 2,491 acres of coffee plantations (Elkhill plantations) at Coorg in FY2024, which it partially monetized to the extent of 321 acres during FY2024 and FY2025 to pare down the debt availed for the acquisition. While the company plans to monetise a few more parcels of coffee plantations in the current fiscal, for which buyers have been identified, it would continue to hold sizeable coffee estates of around 1,500 acres, which provides significant financial flexibility to fund its ongoing greenfield projects at Mandu and Maldives. ICRA expects the promoters to remain prudent in managing the company's overall leveraging and selectively monetise these coffee estates on a need basis, in order to partially meet the funding requirements of the new projects and limit the reliance on external borrowings to levels that are serviceable from existing operations.

### Credit challenges

**Modest scale of operations and limited diversification; revenues exposed to macroeconomic downturns and exogenous shocks** – With an inventory of around 154 keys spread across four resorts, OCRHL's scale of operations is currently modest, with revenues of approximately Rs. 173 crore reported in FY2025, limiting benefits of economies of scale and operating leverage. Moreover, the company is exposed to concentration risks with three of these resorts and the entire plantation business located in a single state. However, the concentration risk is expected to reduce with the planned commencement and ramp-up of the new properties over the long term. Like other players in the industry, OCRHL's revenues are also exposed to industry

cyclicality and seasonality, macroeconomic downturns and exogenous factors (geopolitical tensions, terrorist attacks, disease outbreaks, etc.), which can impact the demand for its properties.

**Plans for major capex investments which would be largely debt-funded, resulting in elevated debt levels over the medium term; timely ramp-up critical to ensure debt servicing** – The company has planned for major expansion over the near to medium term, including a 45-key resort at Mandu, Madhya Pradesh and a 102-key luxury resort in the Maldives, which are expected to be commercialised by end of FY2027 and FY2028, respectively. The project costs for these properties are currently estimated at Rs. 112 crore and Rs. 685 crore, respectively, and are planned to be partially debt-funded. Accordingly, the company's debt levels are expected to increase significantly over the medium term with the progress in these projects, which, along with operational losses in the initial years of operations, can weaken debt coverage metrics materially. However, ICRA expects the company to maintain financial discipline and prudence in funding these projects, considering the large land parcels available, which can be monetized to partially fund these projects, or pre-pay debt and manage debt-servicing requirements prudently.

**Under construction properties exposed to project risks** – The new properties planned at Mandu and Maldives, being under construction, remain exposed to project risks, including financial closure (yet to be achieved for Maldives), and risks of time and cost overruns, although the company's past track record of executing projects offers comfort. The project execution in Maldives would be outsourced to reputed international construction firms in order to limit the execution-related risk. Nevertheless, the completion of these projects without any major time and cost overruns and the subsequent timely ramp-up in earnings from the new properties to meet the debt servicing obligations of incremental loans would be closely monitored.

### Liquidity position: Adequate

The company's liquidity position is adequate, with healthy fund flows from operations, free cash balances of more than Rs. 50 crore (as on March 31, 2025) and fund-based working capital limits of Rs. 15 crore, which remained unutilized for the major part of the year. As against these sources of cash, the company has term loan repayment obligations of Rs. 10.2 crore in FY2026, Rs. 6.9 crore FY2027 and Rs. 4.5 crore in FY2028 for the term loans outstanding on its books. While the company has planned for capex of around Rs. 120 crore in the current fiscal, primarily towards greenfield projects in Mandu and Maldives, it has also received a term loan sanction of Rs. 70 crore for the former. Additionally, the company intends to monetise a few parcels of coffee estates in the current fiscal (for which buyers have been identified, and pending registration), which would usher in additional funds during the year. Accordingly, the company is expected to be self-sufficient in meeting its funding requirements from existing sources of liquidity. ICRA also expects support from the promoter group, should there be a need, given the track record of promoters having extended financial support to the company in the form of unsecured loans in the past.

### Rating sensitivities

**Positive factors** – A sustained improvement in the company's operational performance and its ability to execute as well as scale up ongoing greenfield expansion projects without any major time or cost overruns and with a prudent funding mix, while maintaining profitability, can support an improvement in ratings.

**Negative factors** – The ratings can be pressurized in case of a sustained weakening in earnings or cash flows from existing assets (either resorts or plantation), or in case of any significant time or cost overruns for the ongoing greenfield expansion projects, adversely impacting the credit metrics. Specific credit metrics that could lead to a rating downgrade includes DSCR of less than 2.0 times on a sustained basis.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Hotels</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of OCRHL. Details of subsidiaries and stepdown subsidiaries as per the latest audited financial statements are enlisted in Annexure II.

## About the company

Orange County Resorts and Hotels Ltd. (OCRHL), promoted by members of the Ramapuram family, has four operational resorts under the brand name 'Evolve Back' located at Coorg, Kabini and Hampi in Karnataka, India and in the Central Kalahari region of Botswana. Over the years, Evolve Back has emerged as a brand associated with premium boutique luxury offerings in the hospitality space and has carved a niche for itself. The promoters have extensive experience in hospitality as well as plantation businesses. The company acquired 2,491 acres of coffee plantations in Coorg, Karnataka, in FY2024 to leverage the experience of its promoters in this space. OCRHL also has a resort under construction in Mandu, Madhya Pradesh, and plans to expand overseas in the Maldives in the near future. In addition to hospitality and plantation businesses, the company is also ventured into luxury real-estate development and sales through its subsidiary, Earthitects Pvt Ltd. and step-down subsidiary, Earthitects LLC. It has established a few subsidiaries for its overseas operations, although revenues from such entities are currently not very meaningful.

## Key financial indicators

Consolidated	FY2023	FY2024	FY2025*
Operating income	144.7	141.7	172.6
PAT	21.9	21.9	52.8
OPBDIT/OI (%)	30.1%	32.8%	33.4%
PAT/OI (%)	15.1%	15.4%	30.6%
Total outside liabilities/Tangible net worth (times)	0.8	2.5	1.7
Total debt/OPBDIT (times)	0.8	6.0	3.2
Interest coverage (times)	15.1	1.9	3.0

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore; \*Provisional

## Status of non-cooperation with previous CRA: Not Applicable

## Any other information: None

### Rating history for past three years

Instrument	Type	FY2026			Chronology of rating history for the past 3 years					
		Amount Rated (Rs. crore)	FY2026		FY2025		FY2024		FY2023	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
<b>Unallocated Limits</b>	Long Term/ Short Term	100.00	Aug 13, 2025	[ICRA]A-(Stable)/ [ICRA]A2+	-	-	-	-	-	-
<b>Term Loan</b>	Long Term	-	-	-	-	-	-	-	Jun 29, 2022	[ICRA]BBB+(Stable); withdrawn

### Complexity level of the rated instruments

Instrument	Complexity Indicator
<b>Long Term / Short Term – Unallocated Limits</b>	Not applicable

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/Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long Term/ Short Term – Unallocated Limits	-	-	-	100.00	[ICRA]A- (Stable)/[ICRA]A2+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis**

Company Name	Ownership	Consolidation Approach
Keystone Global DMCC	100.00%	Fully Consolidated
Orange Country Resorts & Hotels (Proprietary) Limited	100.00%	Fully Consolidated
Serene Himalayas Private Limited	100.00%	Fully Consolidated
Earthitects LLC, USA	100.00%	Fully Consolidated
Earthitects Private Limited	51.00%	Fully Consolidated

Source: FY2024 AR

## ANALYST CONTACTS

**Jitin Makkar**

+91 124 4545 368

[jitinm@icraindia.com](mailto:jitinm@icraindia.com)

**Srikumar Krishnamurthy**

+91 44 4596 4318

[ksrikumar@icraindia.com](mailto:ksrikumar@icraindia.com)

**Sruthi Thomas2**

+91 80 4332 6430

[sruthi.thomas2@icraindia.com](mailto:sruthi.thomas2@icraindia.com)

**Rahul Mhaskar**

+91 80 4332 6427

[rahul.mhaskar@icraindia.com](mailto:rahul.mhaskar@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited

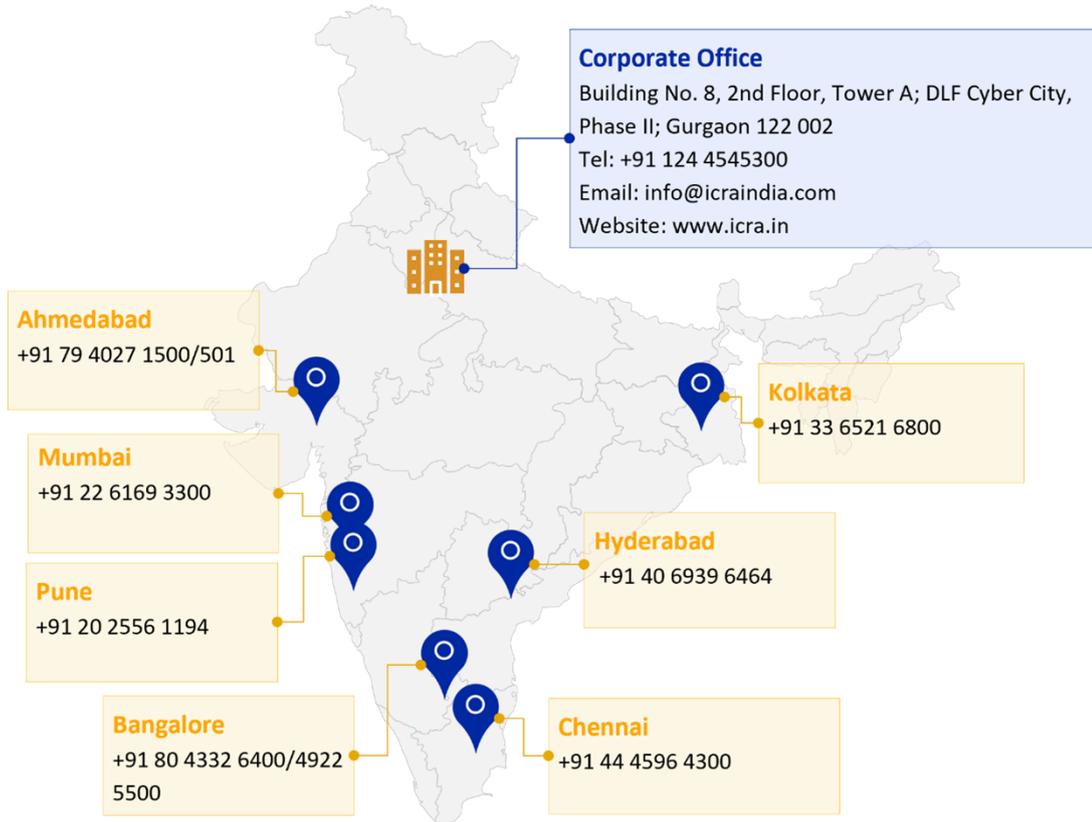


### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.