

October 31, 2025

International Travel House Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund-based – Working capital facilities	10.00	10.00	[ICRA]AA (Stable); reaffirmed
Long-term/ short-term non-fund based – Working capital facilities	20.00	20.00	[ICRA]AA (Stable)/ [ICRA]A1+; reaffirmed
Total	30.00	30.00	

*Instrument details are provided in Annexure I

Rationale

The ratings reaffirmation considers the strong parentage of the ITC Group, which held 61.69% equity stake in International Travel House Limited (ITHL) as on September 30, 2025. Further, ITHL maintains a healthy financial risk profile reflected in its debt free status (excluding lease liabilities), strong liquidity position, and consistent financial performance.

ITHL continues to receive support from the ITC Group in terms of deputation of key managerial personnel and participation in strategic decision-making through board representation. Effective from January 1, 2025, the hotel business and the investments held by ITC Limited in hospitality entities, including ITHL, have been transferred to ITC Hotels Limited (ITCHL), a reputed hospitality company with a market capitalisation of around Rs. 45,247 crore as on October 30, 2025. Accordingly, ITHL has become an associate company of ITCHL, which in turn is an associate company of ITC Limited.

ITHL has reported a strong earnings growth over the years with its profit before tax (PBT) growing at a CAGR of 44% between FY2019 and FY2025. The ratings derive comfort from the conservative balance sheet of ITHL and its ability to manage its business with limited dependence on external financing. The ITC Group contributes more than 10% to ITHL's revenues.

ITHL has an end-to-end presence in the business travel segment, offering a bouquet of travel management solutions, including air ticketing, visa assistance, hotel booking, car rental, meetings, incentives, conferences and exhibitions (MICE) and tours, which besides supporting product diversity, offers opportunities for cross-selling the products. The company posted a healthy recovery in its topline and profitability post the pandemic, supported by resumption of travel and recovery in business activities. The same is expected to continue over the medium term. ICRA notes the reputed and diversified customer base of ITHL, which ensures low counterparty risk. The ratings continue to consider the healthy financial risk profile of the company, depicted by an unlevered capital structure and robust debt coverage metrics, along with its strong liquidity position. ICRA notes that the company has remained debt-free, other than lease liabilities, over the years. In line with the previous years, the net debt (total debt less cash and bank balance and liquid investments) position of the company remained negative as on March 31, 2025, and this is expected to persist.

The ratings are, however, constrained by the company's relatively moderate scale of operations. While its operating income rose by around 8% YoY to Rs. 235.6 crore in FY2025, the service volume has scope for growth since business travel in India is gradually increasing. Nevertheless, the working capital intensity of the operations, which used to be quite high, as inherent to the business travel industry due to the long credit period provided to the corporate customers, has improved significantly over the past few years, being supported by the company's focus on recovery of receivables in a timely manner. However, ITHL remains exposed to competition from local/regional players and online travel portals, which exerts pricing pressure and may impact its profitability.

The Stable outlook on the long-term rating reflects ICRA's opinion that ITHL will continue to have a strong financial profile supported by its business position while sustaining its profitability level. Also, the company will continue to maintain a sizeable net cash position over the medium term, which depicts strong liquidity position.

Key rating drivers and their description

Credit strengths

Healthy financial risk profile, reflected by a conservative capital structure, strong debt protection metrics and liquidity position – The capital structure of the company has remained conservative over the past years owing to a healthy net worth and low reliance on external liabilities. The total outside liabilities/ net worth (TOL/TNW) stood at 0.4 times as on March 31, 2025. The debt protection metrics have remained strong over the past few years on the back of healthy profits and cash flows from business. Further, its financial flexibility is enhanced by a strong liquidity position with sizeable free cash and liquid investments worth around Rs. 115 crore as on March 31, 2025. ICRA notes that the company has remained debt-free, other than lease liabilities, over the years. Moreover, the net debt (total debt less cash and bank balance and liquid investments) of the company remained negative as on March 31, 2025, which is likely to continue in the near to medium term. ICRA does not foresee any major deterioration in the capital structure and coverage indicators of the company in the near term. Historically, the working capital intensity of operations of ITHL remained high due to longer credit period extended to the corporate customers, which is inherent to the business travel industry. However, the same witnessed a substantial improvement to around 8% in FY2025 from around 25% in FY2023 due to the company's focus on recovery of receivables in a timely manner.

Reputed and diversified customer profile – The company has an end-to-end presence in the business travel segment and offers a wide range of services including air ticketing, visa assistance, car rental, MICE and tours, reducing segmental concentration risks and offering opportunities for cross-selling products. The client base includes reputed corporates including MNCs, consultancy firms, large corporates, etc. reducing the counterparty risk. ITHL's customer base is also well diversified with the revenue base spread across a large number of clients without any major concentration.

Strong parentage and business linkages – As per the scheme of arrangement among ITC Limited and ITCHL and their respective shareholders and creditors, the hotel business and the investments held by ITC Limited in the hospitality entities, including ITHL, have been transferred to ITCHL with effect from January 1, 2025. Accordingly, ITHL has become an associate of ITCHL, which is an associate of ITC Limited. ICRA notes that the ITC Group continued to hold 61.69% of the equity stake in ITHL as on September 30, 2025. It receives managerial and operational support from the parent in terms of deputation of key managerial personnel and strategic decision-making through board representation. The ratings derive comfort from the strong creditworthiness of the ITC Group and the linkages between ITHL and the ITC Group. Also, the company derives more than 10% of its revenue from the ITC Group companies.

Credit challenges

Moderate scale of current operations – The company posted a healthy recovery in its topline and profitability post the pandemic, supported by resumption of travel and recovery in business activities. However, its scale of business operations remains moderate. The operating income of the company rose to around Rs. 235.6 crore in FY2025 from around Rs. 217 crore in FY2024, registering a growth of around 8%. In H1 FY2026, ITHL reported an operating income of around Rs. 116 crore compared to an operating income of around Rs. 117 crore in H1 FY2025. ICRA notes that the service volume of the company has potential growth opportunity since business travel in India is gradually increasing.

Intense competition in the car rental and business travel segment – Intense competition from the B2B cab aggregators and online agents limits the business growth potential of the company, which operates in a highly competitive industry facing stiff competition from the large, organised players, which limits its pricing flexibility to some extent. Nevertheless, the operating profit margin (OPM) of the company has remained stable in the range of 15-16% during the past two years. The net profit margin (NPM) also stood at a healthy level of 10-11% during the same period.

Environmental and Social Risks

Environmental considerations: Among the various revenue streams, ITHL also draws revenues from the car rental business and is, therefore, exposed to climate transition risks following the tightening emission standards and the shift in clients' preference away from fossil fuel-based cars. In case of any new regulations, ITHL may need to invest materially towards replacing its existing fleet with environment-friendly vehicles. The company's initiative to gradually add electric/ hybrid cars to its fleet would entail regular capital investments. However, the company is currently operating on an asset light model with a healthy mix of owned and managed cars.

Social considerations: Entities like ITHL have a considerable dependence on human capital. Thus, retaining human capital and maintaining healthy relationship with employees remain essential for disruption free operations. Another social risk that ITHL faces pertains to travel safety and quality, wherein instances of accidents or staff misbehaviour etc. could harm the reputation and create a more long-lasting adverse impact on revenues from the corporate. As a mitigating measure, the company continues to focus on maintaining stringent safety and hygiene protocol.

Liquidity position: Strong

The company generated positive cash flow from operations over the past few years (FY2023 to FY2025), primarily driven by sizeable cash accruals from the business and reducing working capital intensity of operations. Despite a likely increase in the scale of operations along with a marginal increase in the working capital intensity, the cash flow from operations is estimated to remain positive in FY2026. Limited dividend pay-out, along with cash outflow, largely towards acquisition of passenger vehicles, are also likely to keep free cash flows positive in the current fiscal. As on March 31, 2025, ITHL had cash at bank, fixed deposits and liquid investments aggregating to around Rs. 115 crore. The company hardly utilises its sanctioned fund-based working capital facilities of Rs. 20 crore, leaving adequate buffer for future working capital requirement. It has nominal long-term debt repayment obligations of Rs. 0.68 crore, towards lease liabilities only, in the current fiscal. In view of sizeable, unencumbered cash and bank balance and liquid investments, adequate cash flow from operations, moderate capital expenditure of around Rs. 15-20 crore in FY2026, negligible long-term debt repayment obligations, and undrawn working capital limits, ICRA expects the overall liquidity position of the company to remain strong, going forward.

Rating sensitivities

Positive factors – A substantial scale-up in revenues, while maintaining healthy credit metrics and liquidity position, on a sustained basis, would be considered for a rating upgrade.

Negative factors – ICRA could downgrade the ratings of ITHL if there is a deterioration in the credit quality of the ITC Group. Any weakening of linkages and absence of any timely support from the parent Group, if required, could also warrant a ratings downgrade. A sharp decline in revenues and profitability, a significant stretch in the working capital cycle and reduction in the company's unencumbered cash and cash equivalents, leading to a deterioration in its liquidity position, could also trigger negative rating actions.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Parent Group – ITC Group In its assessment, ICRA has factored in the company's high strategic importance to ITC Group and strong linkages (including common directorships and deputation of senior officials on the board of ITHL).
Consolidation/Standalone	The ratings are based on the standalone financial statements of the company

About the company

ITHL offers a full bouquet of travel services, including air ticketing, car rentals, overseas and domestic holiday packages, visa assistance, MICE management and foreign exchange services. The company is an International Air Transport Association (IATA) member and offers tickets of 265 member airlines by using the Billing and Settlement Plan (BSP) system of IATA.

ITHL is an associate company of ITCHL. The ITC Group held 61.69% (ITCHL @48.96% and Russell Investments Limited @12.73%) of the equity stake in ITHL as on September 30, 2025, with the rest being held by the public.

Key financial indicators (audited)

ITHL, Standalone	FY2024	FY2025	H1 FY2026*
Operating income	217.3	235.6	116.4
PAT	22.5	27.2	13.3
OPBDIT/OI	15.9%	16.2%	16.1%
PAT/OI	10.4%	11.5%	11.4%
Total outside liabilities/Tangible net worth (times)	0.4	0.4	0.4
Total debt/OPBDIT (times)	0.0	0.0	0.0
Interest coverage (times)	55.6	50.5	303.4

Source: International Travel House Limited, ICRA Research; *Unaudited numbers, finance costs does not include bank and credit card charges and classified under other expenses; 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						
			FY2025			FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Oct 31, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based – Working capital facilities	Long term	10.00	[ICRA]AA (Stable)	Jul 5, 2024	[ICRA]AA (Stable)	Aug 24, 2023	[ICRA]AA (Stable)	May 31, 2022	[ICRA]AA (Stable)
			-	-	-	Jun 15, 2023	[ICRA]AA (Stable)	-	-
Non-Fund-based – Working capital facilities	Long-term/ Short-term	20.00	[ICRA]AA (Stable)/ [ICRA]A1+	Jul 5, 2024	[ICRA]AA (Stable)/ [ICRA]A1+	Aug 24, 2023	[ICRA]AA (Stable)/ [ICRA]A1+	May 31, 2022	[ICRA]AA (Stable)/ [ICRA]A1+
			-	-	-	Jun 15, 2023	[ICRA]AA (Stable)/ [ICRA]A1+	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based – Working capital facilities	Simple
Long-term/ Short-term-Non-fund based – Working capital facilities	Very 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	Cash credit/ WCDL	-	-	-	10.00	[ICRA]AA (Stable)
NA	Bank guarantee	-	-	-	20.00	[ICRA]AA (Stable)/ [ICRA]A1+

Source: International Travel House Limited

[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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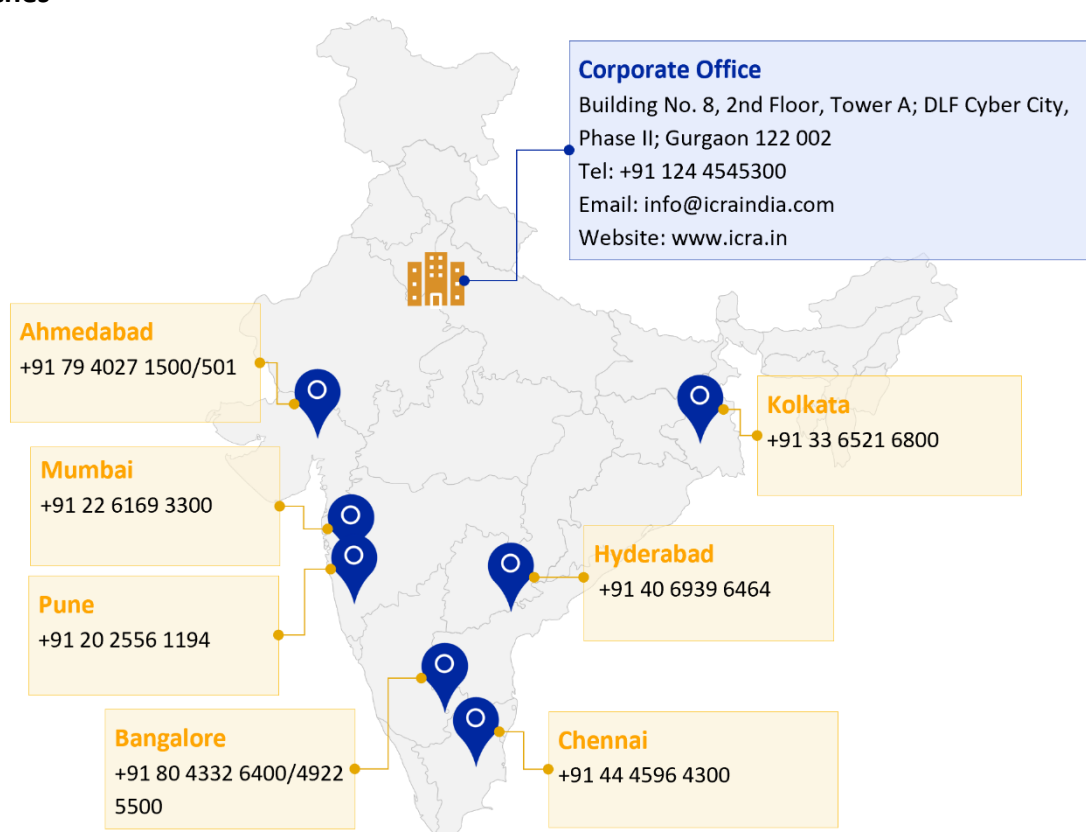
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