

September 21, 2026

International Travel House Limited: Ratings reaffirmed

Summary of rating action

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

* Instrument details are provided in Annexure I

[#] SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The ratings consider the strong parentage of the ITC Group, which holds a 61.69% equity stake in International Travel House Limited (ITHL). 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 is an associate company of ITC Hotels Limited (ITCHL), which, in turn, is an associate company of ITC Limited. ITHL continues to receive support from the ITC Group in terms of the deputation of key managerial personnel and participation in strategic decision-making through board representation. Effective January 1, 2025, the hotel business and the investments held by ITC Limited in hospitality entities, including ITHL, have been transferred to ITCHL, a reputed hospitality company with a market capitalisation of around Rs. 33,670 crore as on August 31, 2026. 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. The extensive offerings support product diversity and present opportunities for cross-selling of products. The company posted a healthy recovery in its topline and profitability post the pandemic, supported by the resumption of travel and recovery in business activities. While operating income declined marginally by around 2% YoY to Rs. 231.6 crore in FY2026, primarily due to geopolitical uncertainties, disruptions in airline operations, and the persistent conflict in West Asia, the overall performance remained resilient. Going forward, ICRA expects the company to resume positive revenue growth, supported by steady demand in the hospitality sector. 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, robust debt coverage metrics, strong liquidity position and limited dependence on external financing. ICRA notes that the company has remained debt-free, other than lease liabilities, over the years. In line with 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, 2026, and this is expected to persist.

The ratings are, however, constrained by the company's relatively moderate scale of operations. ICRA also notes that the overall service volume has scope for growth since business travel in India is gradually increasing. Nevertheless, the working capital intensity of operations, which used to be quite high, as is inherent to the business travel industry due to the long credit period provided to corporate customers, has improved significantly over the past few years, supported by the company's focus on timely recovery of receivables. 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 reflects a 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, 2026. The debt protection metrics have remained strong over the past few years on the back of healthy profits and cash flows from the business. Further, its financial flexibility is enhanced by a strong liquidity position, with sizeable free cash and liquid investments worth around Rs. 123 crore as on March 31, 2026. 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, 2026, which is likely to continue in the near to medium term. ICRA does not foresee any material 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 the longer credit period extended to corporate customers, which is inherent to the business travel industry. However, the same witnessed a substantial improvement to around 6% in FY2026 from around 25% in FY2023 due to the company's focus on timely recovery of receivables.

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 continues to hold 61.69% of the equity stake in ITHL. It receives managerial and operational support from the parent in terms of the 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 the resumption of travel and recovery in business activities. However, its scale of business operations remains moderate. ICRA notes that the company's operating income moderated to Rs. 231.6 crore in FY2026 from Rs. 235.6 crore in FY2025, reflecting a de-growth of around 2%, primarily on account of geopolitical uncertainties, disruptions in airline operations, and the persistent conflict in West Asia. The subdued performance continued in Q1 FY2027, with operating income declining to around Rs. 55 crore from around Rs. 57 crore in Q1 FY2026. Nevertheless, ICRA notes that the company has growth opportunities over the medium term, supported by the gradual increase in business travel activity in India, which is expected to drive demand for its mobility and travel-related services.

Intense competition in the car rental and business travel segment, exert pressure on margins – Intense competition from 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 large, organised players, thereby limiting its pricing flexibility to some extent.

Nevertheless, the operating profit margin (OPM) of the company has remained stable at 15-16% over the past three years. Although the net profit margin (NPM) was impacted by an exceptional item towards the provisioning of employee benefits pursuant to the 'New Labour Codes', the same still stood at a healthy level of 8% in FY2026. The company's return on capital employed (RoCE) stood at a comfortable level of around 15% in FY2026.

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 of 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 a largely 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 relationships 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 behaviour, etc., could harm the reputation and create a more long-lasting adverse impact on revenues from corporates. As a mitigating measure, the company continues to focus on maintaining stringent safety and hygiene protocols.

Liquidity position: Strong

The company generated positive cash flow from operations over the past few years (FY2023 to FY2026), primarily driven by sizeable cash accruals from the business and a gradual reduction in the 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 projected to remain positive in FY2027. Limited dividend pay-out and moderate capex towards the acquisition of passenger vehicles are also likely to support cash flows in the current fiscal. As on March 31, 2026, ITHL had cash at bank, fixed deposits and liquid investments aggregating to around Rs. 123 crore. The company hardly utilises its sanctioned fund-based working capital facilities of Rs. 20 crore, leaving an adequate buffer for future working capital requirements. It has nominal long-term debt repayment obligations of Rs. 0.56 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 crore in FY2027, negligible long-term debt repayment obligations (towards lease liabilities) 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 significant decline in revenues and profitability, an elongation 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 action.

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 370 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 June 30, 2026, with the rest being held by the public.

Key financial indicators (audited)

ITHL, Standalone	FY2025	FY2026	Q1 FY2027	Q1 FY2026
Operating income	235.6	231.6	55.3	57.0
PAT	27.2	18.5	5.6	6.9
OPBDIT/OI	16.2%	14.9%	14.1%	16.4%
PAT/OI	11.5%	8.0%	10.2%	12.1%
Total outside liabilities/Tangible net worth (times)	0.4	0.4	-	-
Total debt/OPBDIT (times)	0.0	0.0	-	-
Interest coverage (times)	50.5	46.7	329.3	313.3

Source: International Travel House Limited, ICRA Research; 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 (FY2027)				Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Sep 21, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – Working Capital Facilities	Long term	10.00	[ICRA]AA (Stable)	Oct 31, 2025	[ICRA]AA (Stable)	Jul 5, 2024	[ICRA]AA (Stable)	Aug 24, 2023	[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+	Oct 31, 2025	[ICRA]AA (Stable)/ [ICRA]A1+	Jul 5, 2024	[ICRA]AA (Stable)/ [ICRA]A1+	Aug 24, 2023	[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	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	Financial Sector Regulator [#]
NA	Cash credit/ WCDL	-	-	-	10.00	[ICRA]AA (Stable)	RBI
NA	Bank guarantee	-	-	-	20.00	[ICRA]AA (Stable)/ [ICRA]A1+	RBI

Source: International Travel House Limited

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[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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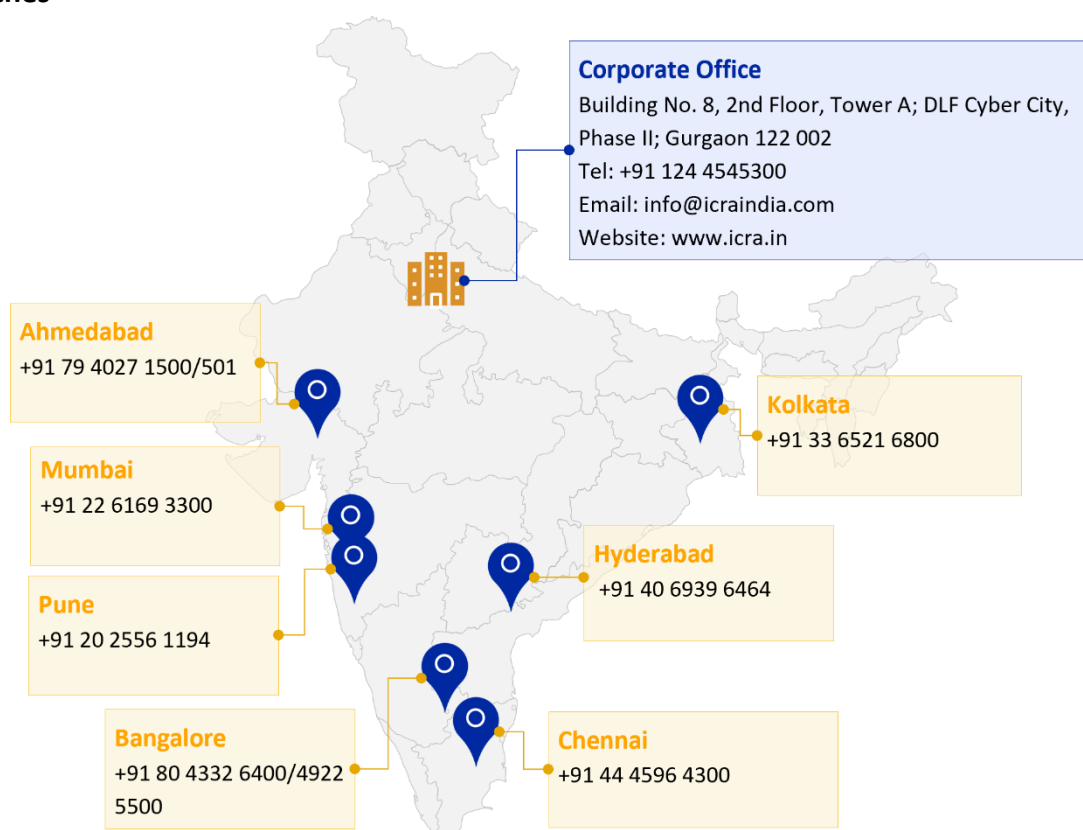
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