ORIENTAL HOTELS LIMITED

Corporate Office : No.47, Paramount Plaza, 3rd Floor, Mahatma Gandhi Road, Chennai - 600 034, Tamil Nadu, India

OHL:SEC: 2025 – 26: 049
December 03, 2025

The Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot No. C/1G Block,
Bandra Kurla Complex
Bandra (E), Mumbai: 400051
Symbol: ORIENTHOT

The Manager – Listing Department
BSE Ltd.
II Floor, New Trading Ring
Rountana Building P J Towers,
Dalal Street, Mumbai: 400001
Scrip Code: 500314

Dear Sir/Madam,

Sub: Intimation of Credit Rating Revision and Assignment by Care Ratings Limited

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Care Ratings Limited has assigned ratings to banking facilities of the Company as below:

Facilities/Instruments	Amount (₹ crore)	Rating	Rating Action
Long-term bank facilities	47.16 (Reduced from 130.00)	CARE AA-; Stable	Upgraded from CARE A+; Stable
Long-term / Short-term bank facilities	1.00	CARE AA-; Stable / CARE A1+	Assigned
Short-term bank facilities	81.85	CARE A1+	Assigned
Short-term bank facilities	0.01 (Reduced from 0.02)	CARE A1+	Upgraded from CARE A1

Kindly take the above information on record.

Thanking you,

Yours faithfully,
For ORIENTAL HOTELS LIMITED

S AKILA
Digitally signed by S AKILA
Date: 2025.12.03 15:45:09 +05'30'

S Akila
Company Secretary
A15861
Address: Taj Coromandel, No. 37, Mahatma Gandhi Road,
Nungambakkam, Chennai - 600034.

Oriental Hotels Limited

December 01, 2025

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Long-term / Short-term bank facilities	1.00	CARE AA-; Stable / CARE A1+	Assigned
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Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has upgraded ratings assigned to bank facilities of Oriental Hotels Limited (OHL) to CARE AA-; Stable / CARE A1+ from CARE A+; Stable / CARE A1, driven by sustained improvement in the company's business risk profile with expected sustenance of continued financial risk profile.

The upgrade factors in the near completion of multi-year renovation programmes across key properties, which is expected to enhance OHL's average room rate (ARR) and drive higher revenue per available room (RevPAR). Revenue grew by 12% y-o-y in FY25 to ₹440 crore and is projected to reach ~₹500 crore over the medium term. Supported by the increase in RevPAR and limited cost escalation, operating margins are expected to remain healthy at 27–30%. The capital structure and coverage metrics remain strong, and in the absence of major debt-funded capex, the same is expected to improve further in the near-to-medium term. The company has sufficient headroom to undertake moderately debt-funded capex/ acquisition, considering its low overall gearing ratio of 0.27x as on March 31, 2025.

CareEdge Ratings also derives comfort from OHL's strong strategic and operational linkages with The Indian Hotels Company Limited (IHCL; 'CARE AA+; Stable/ CARE A1+'), which holds a 28.54% stake, and the wider Tata Group, which together holds 39.1%. OHL benefits from the brand strength of "Taj" and other IHCL brands, in addition to a portfolio of well-established hotels across southern India. The continued upcycle in the domestic hospitality sector further supports operating performance.

However, ratings remain constrained by OHL's moderate scale of operations (though growing), geographically concentrated revenue profile, and inherent susceptibility to macroeconomic cycles, seasonal demand patterns, and global economic uncertainties.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant increase in scale with reduction in dependence on Chennai markets and operating profit margin of 30% for long term on a sustained basis.

Negative factors

- Weakening of linkages with IHCL.
- Unanticipated occurrence of event leading to disruption in travel/leisure activities.

Analytical approach: Consolidated

CareEdge Ratings takes a consolidated view of the parent (OHL) and its subsidiaries owing to significant business and financial linkages between parent and subsidiaries. Details of subsidiaries and associates, which have been consolidated are given in Annexure-6.

CareEdge Ratings has factored in the linkages with IHCL.

Outlook: Stable

'Stable' outlook indicates stability in the company's scale of operations benefitting from its continued association with the strong brands derived from IHCL. No new hotel addition is expected over the medium term in OHL's portfolio.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Strong linkages with IHCL, market leader in India

IHCL and its affiliates have significant stake in OHL, 39.09% as on September 30, 2025. IHCL is a part of the Tata group (recorded overall revenue of US$180 billion in FY25 and market capitalisation of ₹25+ lakh crore as on November 11, 2025), which comprises over 100 operating companies in business sectors, including information technology, communications, engineering, materials, services, energy, consumer products, and chemicals, among others. The group has operations in over 100 countries across six continents, and its companies export products and services to 85 countries.

OHL draws significant benefits from its association with IHCL reflected in its portfolio of seven hotels. IHCL is one of the largest companies in terms of market capitalisation within the Tata group, with market capitalisation of ~₹1 lakh crore as on November 11, 2025. Major hotels are operated under "Taj" brand. Taj Coromandel, Chennai and Taj Fisherman's Cove, Chennai contribute over 60% of its total operating income (TOI). Other hotels, all in South India, are operated under 'Taj', 'Vivanta' and 'SeleQtions' and the company provide management fees to IHCL for using its brands. The company would continue to benefit from its association with IHCL offering high level of standardisation in services, experience, and products specific to category under which the particular hotel caters.

Strong operating profitability margins supported by healthy RevPAR

The company continues to operate at strong margins. The company posted profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin of 25.07% (25.01%) in FY25 (FY24), which sharply rose from 10.70% in FY22 and operating loss in FY21. Continuous strength in ARR, which stood at ₹10,837 (₹10,155) in FY25 (FY24) and occupancy level, which stood at 72.8% (70.6%) in FY25 (FY24) supported the strong operating profitability. With major renovation being undertaken at Taj Malabar Cochin, Taj Coromandel, Gateway Coonoor and Gateway Madurai and strong demand, the company is expected to accrue better ARRs and thus further improvement in profitability is expected in the range of 27%-30% over the medium term. The renovations at Taj Malabar Cochin, Taj Coromandel's ballroom, Gateway Coonoor and Gateway Madurai had slightly constrained the operating margins in FY24 and FY25.

Healthy capital structure and debt coverage metrics

The company has healthy net worth at ₹681 crore (PY: ₹618 crore) and overall gearing at 0.27x (PY: 0.33x) as on March 31, 2025. The company has undertaken most capital expenditure (capex) in terms of renovation of Taj Malabar Cochin, Taj Coromandel's ballroom, Gateway Coonoor, and Gateway Madurai in FY25 and H1FY26. The capital structure has been continuing to strengthen despite capex due to scheduled repayment of term loans with negligible reliance on fund-based working capital utilisation.

With comfortable debt position and healthy profitability, the company's debt coverage metrics is also healthy. Interest coverage ratio was 6.48x (5.80x) in FY25 (FY24) and net debt (includes lease liabilities) to PBILDT was at 1.58x (1.82x) in FY25 (FY24). These metrics are expected to remain healthy over the medium term with continued strong profitability.

Key weaknesses

Moderate scale of operations and concentration risk

The company's moderate scale of operations is signified by its portfolio of seven hotels with 825 operational keys, being stagnant. The company has been able to grow both ARRs and occupancy backed by strong demand in the last three fiscal years through FY23. However, because of renovations being undertaken in FY24, which led to few keys being unavailable, the revenue growth remained flat in FY24 y-o-y. The company has benefitted partly from the renovations in FY25 with TOI growing by 12% y-o-y to ₹440 crore. However, FY25 was also partly constrained considering certain renovations continuing in FY25 and even in H1FY26. With major chunk of renovations being completed by H1FY26, the company is expected to accrues its benefit in FY26 and FY27 with revenue expected to reach ₹500 crore over the medium term.

The company's revenue is largely concentrated to Chennai with over 60% revenue being generated from Taj Coromandel, Chennai, and Taj Fisherman's Cove. With no major addition in hotels and/or rooms, the company's scale is expected to remain moderate.

Macroeconomic factors and seasonal uncertainty

The company is exposed to changes in macroeconomic factors, industrial growth, and tourist arrival growth in India, international and domestic demand-supply scenarios, competition in the industry, government policies and regulations, and other socioeconomic factors, which lead to inherent cyclicality in the hospitality industry. These risks can impact the company's occupancy rate, and hence, its profitability. However, these risks are mitigated to an extent through extensive presence across the value chain and a strong brand image. Adverse event in global/domestic market would lead to fall in willingness to spend on travel/leisure segment, as individuals will prefer to save for future uncertainty rather than luxury. Though the current demand uptrend in the hospitality industry is driven by boost from domestic customers, foreign tourists are required to diversify the customer base and sustain current occupancy levels and ARRs.

Liquidity: Strong
Liquidity is characterised by cash and cash equivalents of ₹19 crore as on March 31, 2024, and ₹7.1 crore as on June 30, 2024, and almost undrawn working capital limit of ~₹15 crore. The company is expected to garner gross cash accruals (GCA) of ~₹100 crore against repayments of ₹74 crore in FY26. Hence, there shall be adequate cushion for these repayments. Historically, the company's working capital utilisation is negligible owing to the negative operating cycle. The company has healthy capital structure providing headroom to raise additional debt if required.

Assumptions/Covenants Not applicable

Environment, social, and governance (ESG) risks

Increasing awareness among consumers for greener environment and equitable society could risk the brand image issues among hoteliers if there is significant lapse in ESG metrics relative to peers. The company has continued to focus on its ESG metrics through its programme "Paathya". Some of the key target areas and the company's achievement against it are as follows:
Environment:

- Maintain majority energy to come from renewable sources by 2030– The company's green power mix was 61% (74%) in FY25 (FY24).
- 100% of wastewater recycled by 2030 – In FY25 (FY24), 139,334 KL (124,240 KL), water saved through recycling and rainwater harvested.

Social

- Provided educational assistance for children by paying their school fees and supported fishermen's family by distributing 1058 bags of rice.
- Contributed towards construction of toilet blocks at government higher secondary school, Kovalam, Chennai.

Governance

- The company's Board of Directors is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

CareEdge Ratings takes comfort from the progress on OHL's targets against its achievements.

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

OHL is a part of 'Taj Hotels Resorts and Palaces', umbrella brand for the Tata group company, IHCL, its subsidiaries and associates. IHCL (rated 'CARE AA+; Stable/ CARE A1+') and its associates hold 39.09% equity stake in OHL. Other key promoters are Dodla Reddy and his family (DPS Reddy group) and Pramod Ranjan, Managing Director and Chief Executive Officer of OHL.

Brief Financials- Consolidated (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	393	440	218
PBILDT	98	110	52
PAT	50	39	15
Overall gearing (times)	0.33	0.27	NM
Interest coverage (times)	5.80	6.48	7.08

A: Audited UA: Unaudited; NM: Not Meaningful Note: these are latest available financial results

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		-	-	December 2029	47.16	CARE AA-; Stable
Fund-based - LT/ ST-Cash Credit		-	-	-	1.00	CARE AA-; Stable / CARE A1+
Fund-based - ST-Bank Overdraft		-	-	-	0.01	CARE A1+
Fund-based - ST-Term loan		-	-	March 2026	81.85	CARE A1+

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	47.16	CARE AA-; Stable	-	1)CARE A+; Stable (25-Sep-24)	1)CARE A+; Stable (09-Oct-23)	1)CARE A+; Stable (28-Oct-22)
2	Fund-based - ST-Bank Overdraft	ST	0.01	CARE A1+	-	1)CARE A1 (25-Sep-24)	1)CARE A1 (09-Oct-23)	1)CARE A1 (28-Oct-22)
3	Fund-based - ST-Term loan	ST	81.85	CARE A1+				
4	Fund-based - LT/ ST-Cash Credit	LT/ST	1.00	CARE AA-; Stable / CARE A1+				

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/ ST-Cash Credit	Simple
3	Fund-based - ST-Bank Overdraft	Simple

4	Fund-based - ST-Term loan	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	OHL International (HK) Ltd.	Full	Wholly owned subsidiary
2	Taj Madurai Ltd.	Moderate	Associate (26% stake held by OHL)
3	Lanka Island Resorts Ltd.	Moderate	Associate (23.08% stake held by OHL)
4	TAL Hotels & Resorts Ltd	Moderate	Joint venture (21.74% stake held by OHL)

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 for clarifications.

Contact us

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About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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