

Assessment of overnight ocean and coastal cruise industry in India

June 2025



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1 Macroeconomic assessment

1.1 Global GDP outlook

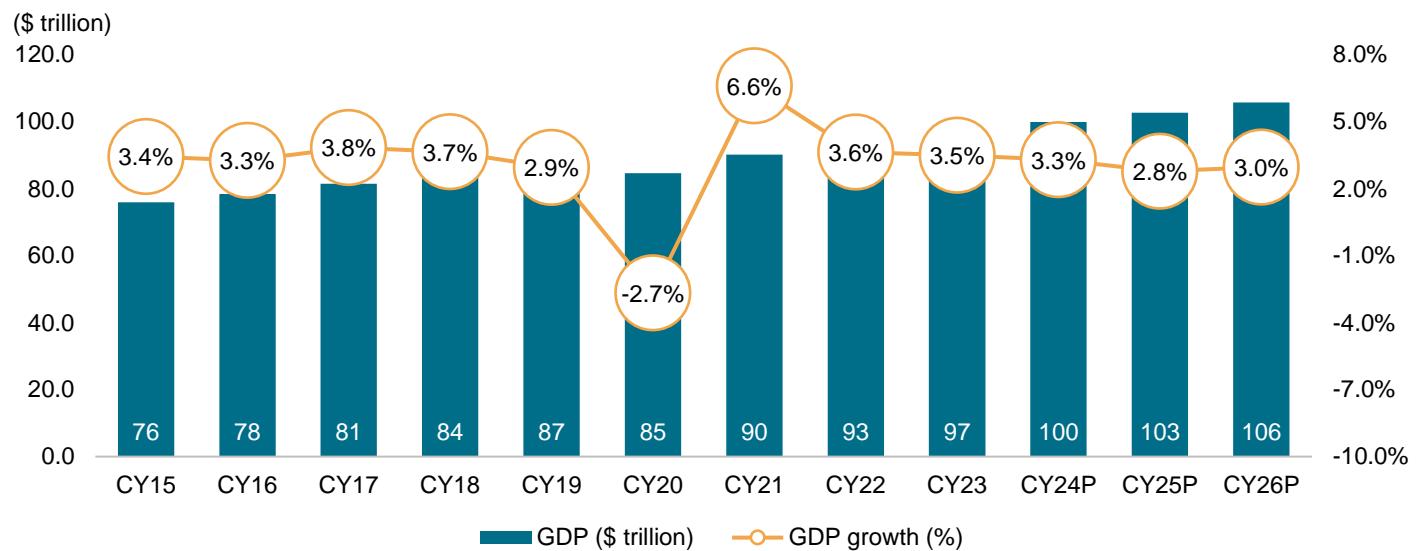
Global GDP is estimated to grow at 2.8% in CY25 and 3.0% in CY26

As per the International Monetary Fund's (IMF) April 2025 update, global gross domestic product (GDP) growth witnessed a growth of 3.3% in 2024 as signs of stabilization emerged- inflation came down from multidecade highs, followed a gradual as well as labor markets normalized, with unemployment and vacancy rates returning to pre pandemic levels.

However, major policy shifts are resetting the global trade system and giving rise to uncertainty in the global economy. Since February, a series of new tariff measures by the United States and countermeasures by its trading partners have been announced and implemented. This, on its own is a major negative shock to growth and the unpredictability with which these measures have been unfolding also has a negative impact on economic activity and the outlook.

This swift escalation of trade tensions and extremely high levels of policy uncertainty are expected to have a significant impact on global economic activity. Under the reference forecast that incorporates information as of April 4, global growth is projected to drop to 2.8% in 2025 and 3.0% in 2026.

Global GDP (real) trend and outlook (CY15-26P, \$ trillion)



Note: E: Estimated, P: Projection

Source: IMF economic database, Crisil Intelligence

Per capita GDP of emerging market and developing economies faster than the global average

Global per capita GDP clocked a CAGR of 3.8% between 2019 and 2024. In comparison, emerging markets and developing economies saw a CAGR of 4.3% during the period, according to the IMF.

Meanwhile, India witnessed a higher per capita GDP CAGR of 5.8% between 2019-2024.

GDP per capita, current prices (U.S. dollars per capita)- CY basis

	2019	2020	2021	2022	2023	2024	2025P	2026P	CAGR (2019-2024)
Advanced economies	48,585	47,603	53,109	54,045	56,668	58,626	60,321	62,572	3.8%
Canada	46,431	43,573	52,912	56,358	54,376	54,473	53,558	56,141	3.2%
China, People's Republic of	10,334	10,696	12,878	12,968	12,961	13,313	13,687	14,534	5.2%
Emerging market and developing economies	5,447	5,178	6,035	6,398	6,506	6,710	6,803	7,105	4.3%
Euro area	39,310	38,244	43,057	41,672	45,298	46,823	47,857	49,519	3.6%
India	2,050	1,916	2,250	2,361	2,547	2,711	2,878	3,136	5.8%
United Kingdom	42,713	40,231	46,731	46,234	49,213	52,648	54,949	57,387	4.3%
United States	65,561	64,454	71,232	77,801	82,254	85,812	89,105	92,097	5.5%
World	11,554	11,147	12,610	13,030	13,474	13,933	14,213	14,742	3.8%

Notes: P – projected

Source: IMF, Crisil Intelligence

1.2 Macroeconomic assessment of India

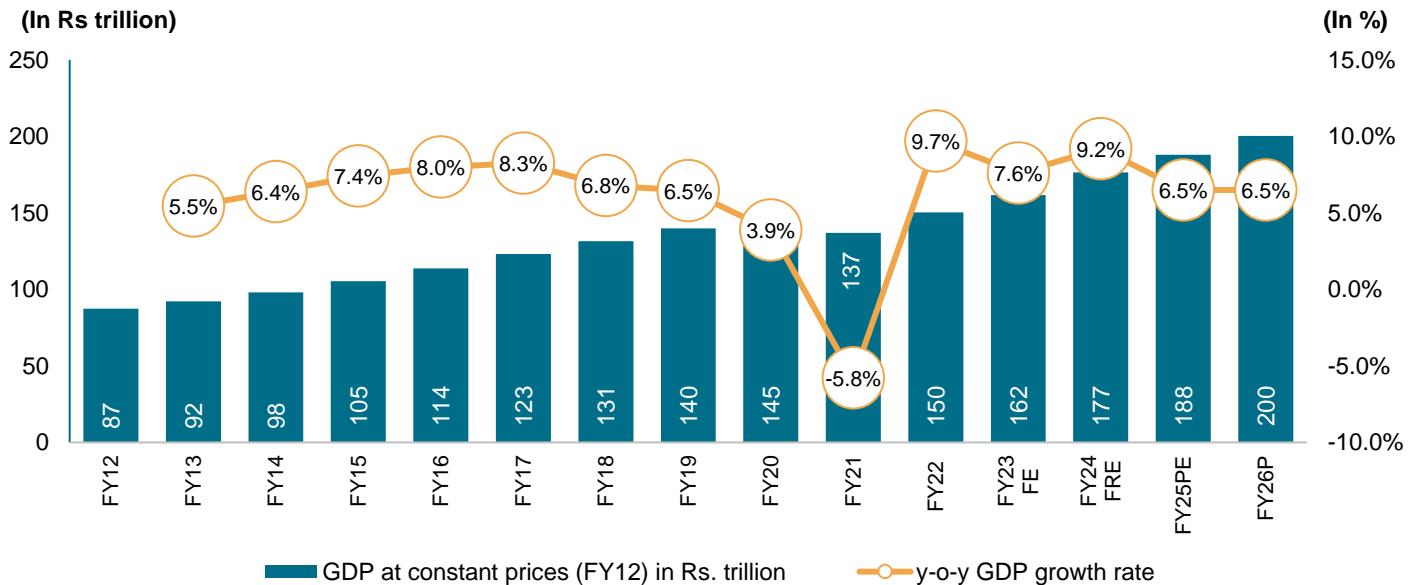
India GDP logged 6.1% CAGR between FY12 and FY25

India's GDP grew at 6.1% compounded annual growth rate (CAGR) between FY12 and FY25 to Rs. 188 trillion in FY25 from Rs. 87 trillion in FY12. During this period, the surge in the non-agricultural economy has driven growth. The government's investment push, along with easing input cost pressures for industry, has also played a major role in shoring up growth. However, services have been slowing owing to waning pent-up demand (post the pandemic), with the exception of financial, real estate and professional services, which have powered ahead on the back of a robust growth in banking and real estate sectors.

Additionally, as per the Provisional Estimates (PE) of GDP for FY25, India's GDP grew 6.5% in FY25 to Rs. 188 trillion. Moving forward, Crisil expects GDP growth to be steady in FY26 at 6.5% despite uncertainties stemming from geopolitical turns and trade-related issues led by US tariff actions. Additionally, cooling food inflation, the tax benefits announced in the Union Budget 2025-2026, and lower borrowing costs are expected to drive discretionary consumption. However, India's current account deficit (CAD) is expected to rise mildly in fiscal 2026. Given the tariff related issues, and the subdued global growth environment, India's goods exports are expected to face further headwinds in fiscal 2026. However, a healthy services trade balance and robust remittances growth will limit the widening. At an overall level, India's real GDP is expected to be 6.5% in FY26.

Overall, high GDP growth in India post Covid highlights India's strong economic momentum driven by investments and rising consumer demand. The improving investments are expected to positively impact capital intensive industries like manufacturing and construction, whereas rising consumer demand will provide impetus to industries like retail, hospitality, Fast Moving Consumer Goods (FMCG), Fast Moving Consumer Durables (FMCD), tourism etc.

India real GDP growth at constant prices (new series)



Note: FE: Final Estimates, FRE: First Revised Estimates, PE: Provisional Estimates, P: Projected

These values are reported by the government under various stages of estimates

Only actuals and estimates of GDP are provided in the bar graph

Source: Ministry of Statistics and Program Implementation (MoSPI), Crisil Intelligence

India's economy estimated to grow at an average CAGR of 6.7% between FY26-31

Over FY26 to FY31, Crisil expects the pace of GDP growth to sustain, averaging 6.7%, thereby making India the third-largest economy in the world. A large part of this growth will be because of capital investments. Within this space, the share of private sector in capital investments is expected to increase as the government continues to focus on fiscal consolidation. The manufacturing and service sectors are expected to grow at 9.1% and 6.9% CAGR, respectively, over the period, with the service sector remaining the dominant growth driver, thereby contributing to ~55.5% share in GDP by FY31 vs. 20.0% share in the case of the manufacturing sector during the same period.

Additionally, regarding consumption in India, as per Household Consumption Expenditure Survey: 2023-24 (HCES), average MPCE (Monthly Per Capita Consumption Expenditure), improved for both urban and rural India. Whereas rural MPCE increased from Rs 1,430 in 2011-12 to Rs 3,773 in 2022-23 and further to Rs 4,122 in 2023-24, urban MPCE rose from Rs 2,630 in 2011-12 to Rs 6,459 in 2022-23 and then to Rs 6,996 in 2023-24.

Furthermore, in rural India (2023-24), food accounted for about 47% of the value of the average rural Indian households' consumption as per HCES. Among non-food items, the maximum contribution was of conveyance (7.6%) followed by medical (6.8%), clothing, bedding & footwear (6.6%) and durable goods (6.5%).

In urban India, the contribution of food in MPCE in 2023-24 has been about 40% The share of non-food items in MPCE in urban India has been around 60%. Conveyance with 8.5% contribution, has the largest share in non-food expenditure while other major components of non-food expenditure in urban India are miscellaneous goods & entertainment (6.9%), durable goods (6.9%), and rent (6.6%).

Furthermore, the manufacturing sector is expected to grow at a faster pace between fiscals 2025-2031 vs. years between fiscal 2011 and 2020. Over the next seven years, as global growth is expected to be relatively tepid and the trade environment restrictive, domestic demand will play an important role in supporting the growth of the manufacturing sector.

India among fastest-growing major economies

India became the fifth largest in the world by fiscal 2023 and has grown at a faster growth rate compared to top key economies. Additionally, India's expanding economy along with growing per capita income, could positively impact the consumer purchasing power, which in turn will influence the demand for discretionary spends like entertainment, leisure, tourism, etc.

United States: For the United States, growth is projected to decrease in 2025 to 1.8%, 1% lower than the rate for 2024 as a result of greater policy uncertainty, trade tensions, and a softer demand outlook, given slower-than-anticipated consumption growth. Tariffs are also expected to weigh on growth in 2026, which is projected at 1.7% amid moderate private consumption.

Euro area: Growth in the euro area is expected to decline slightly to 0.8% in 2025, before picking up modestly to 1.2% in 2026. Rising uncertainty and tariffs are key drivers of the subdued growth in 2025. Offsetting forces that support the modest pickup in 2026 include stronger consumption on the back of rising real wages and a projected fiscal easing in Germany.

For advanced economies, growth under the reference forecast is projected to drop from an estimated 1.8% in 2024 to 1.4 percent in 2025 and 1.5 percent in 2026. The forecasts for 2025 include significant downward revisions for Canada, Japan, the United Kingdom, and the United States and an upward revision for Spain.

Emerging market and developing economies: For emerging market and developing economies, growth is projected to drop to 3.7% in 2025 and 3.9% in 2026, following an estimated 4.3% in 2024.

Real GDP growth comparison between India and advanced and emerging economies

Real GDP growth (Annual percent change)	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024P	CY2025P	CY2026P
World	2.9	-2.7	6.6	3.6	3.5	3.3	2.8	3.0
Advanced economies	1.9	-4.0	6.0	2.9	1.7	1.8	1.4	1.5
United States	2.6	-2.2	6.1	2.5	2.9	2.8	1.8	1.7
Canada	1.9	-5.0	6.0	4.2	1.5	1.5	1.4	1.6
United Kingdom	1.6	-10.3	8.6	4.8	0.4	1.1	1.1	1.4
Euro area	1.6	-6.0	6.3	3.5	0.4	0.9	0.8	1.2
Emerging market and developing economies	3.7	-1.7	7.0	4.1	4.7	4.3	3.7	3.9
India	3.9	-5.8	9.7	7.6	9.2	6.5	6.2	6.3
China	6.1	2.3	8.6	3.1	5.4	5.0	4.0	4.0

Notes: P- projected

* Numbers for India are for financial year from April to March (2020 is FY21 and so on).

India's FY26 projection as per the Crisil forecast is 6.5%

Source: IMF economic database, Crisil Intelligence

Per capita net national income of India further improved in FY25

India's per capita income, a broad indicator of living standards, rose from Rs 63,462 in FY12 to Rs 114,710 in FY25, logging 4.7% CAGR. Growth was led by better job opportunities, propped up by overall GDP growth. Moreover, population growth remained stable at ~1% CAGR.

Growing per capita income in India will contribute to the expanding consumer markets in India, through increased consumptions in consumer driven industries.

Per capita net national income at constant prices

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23FE	FY24FRE	FY25PE
Per-capita NNI (Rs.)	63,462	65,538	68,572	72,805	77,659	83,003	87,586	92,133	94,420	86,034	94,054	100,163	108,786	114,710
Y-o-Y growth (%)		3.3%	4.6%	6.2%	6.7%	6.9%	5.5%	5.2%	2.5%	-8.9%	9.3%	6.5%	8.6%	5.4%

Note: FE: Final Estimates, FRE: First Revised Estimates, PE: Provisional Estimates,

Source: MoSPI, Crisil Intelligence

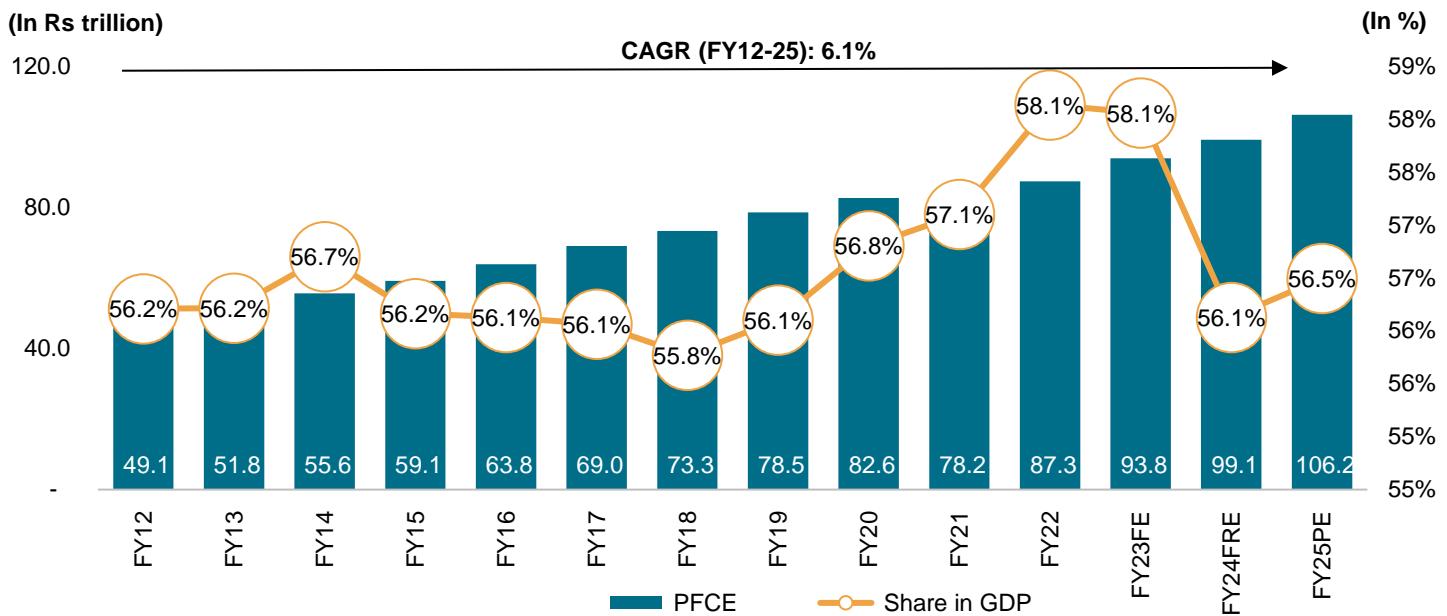
Private final consumption expenditure to maintain dominant share in India's GDP

Private final consumption expenditure (PFCE) has been the largest component of India's GDP historically. The PFCE CAGR growth of approximately 6.1% has been in line with India's GDP CAGR growth of 6.1% from FY2012 to FY2025 and was valued at Rs 106.2 trillion in FY25 compared to Rs 49.1 trillion in FY12.

Growth was led by healthy monsoon, wage revisions due to the implementation of the Seventh Central Pay Commission's (CPC) recommendations, benign interest rates, growing middle age population and low inflation. As of FY25, PFCE is estimated to have increased to Rs. 106.2 trillion, registering a y-o-y growth of 7.2% and forming ~56.5% of India's GDP.

The increasing share of discretionary spending from FY12 suggests rising disposable incomes and spending capacity of households.

PFCE (at constant prices)



Note: FE: Final Estimates, FRE: First Revised Estimates, PE: Provisional Estimates,
Source: MoSPI, Crisil Intelligence

Consumption expenditure will continue to drive GDP growth led by discretionary spends

In the medium to long term, positive economic outlook and growth across key employment generating sectors (such as real estate, infrastructure, and automobiles) is expected to have a cascading effect on overall per capita income. This, in turn, is expected to drive discretionary spending.

This rising share of discretionary spendings along with growing per capita income will positively impact industries like tourism, hospitality, entertainment, retail, etc which depends heavily on discretionary spends.

Broad split of PFCE into basic and discretionary spending – at constant prices

PFCE	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23 FE	FY24 FRE	FY25 PE
PFCE (Rs trillion)	56	59	64	69	73	79	83	78	87	94	99	106
Share of PFCE in GDP	57%	56%	56%	56%	56%	56%	57%	57%	58%	58%	56%	56%
Share of discretionary spending in PFCE	53%	55%	57%	57%	58%	59%	60%	57%	58%	59%	61%	N.A.

Note: FE: Final Estimates, FRE: First Revised Estimates, PE: Provisional Estimates, N.A.: Not Available

PFCE data is from the latest available National Account Statistics 2025; discretionary items include education, healthcare, electricity, water supply, footwear, personal care products, processed foods, alcoholic and non-alcoholic beverages, tobacco, narcotics, fuel and gas, furnishing and household equipment, vehicle and personal transportation, spending on recreation and culture, communication, restaurants and hotels, financial insurance and other financial services, and other items not elsewhere classified. The remainder is contributed by basic items which include food, clothing and housing.

Source: MoSPI, CRISIL Intelligence

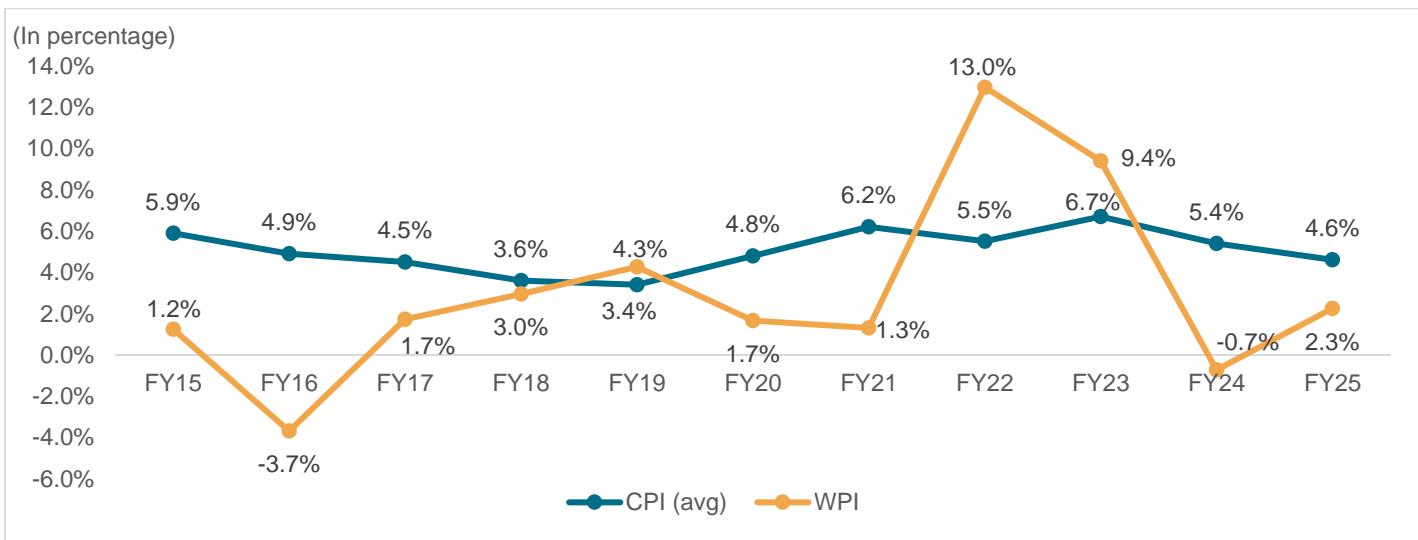
WPI and CPI inflation is estimated to have eased further in FY25

India's wholesale price index (WPI), which has a higher weight for items linked to global prices, has seen wild swings in the aftermath of the pandemic and geopolitical tensions. In FY24, WPI inflation fell to -0.7%, on account of deflation in non-food items like manufacturing goods and fuel and power, which cumulatively have a high weightage in overall index. As per the provisional estimates, WPI inflation is expected at ~2.3% in FY25 due to increase in prices of manufacture of food products, other manufacturing, food articles, etc.

Consumer price index (CPI) based inflation stood at 4.6% in FY25, compared to 5.4% in FY24, which was within the Reserve Bank of India's (RBI) upper tolerance limit of 6%. This was majorly due to moderation in non-food categories. However, key food categories including cereals, pulses and vegetables have remained at elevated levels. For FY25, CPI food inflation stood at 7.3%, above the core CPI index (excludes food, fuel and light) which stood at ~3.5%.

Easing of inflationary pressure coupled with rising per capita income is expected to foster higher discretionary spending, thereby positively impacting the consumer-oriented industries like retail, tourism, hospitality, FMCG, etc.

Inflation (year-on-year %)



Note: WPI data is as per the 2011-12 base

WPI for FY25 is provisional

Source: Ministry of Commerce and Industry, Crisil Intelligence

1.3 Demographic factors support India's growth

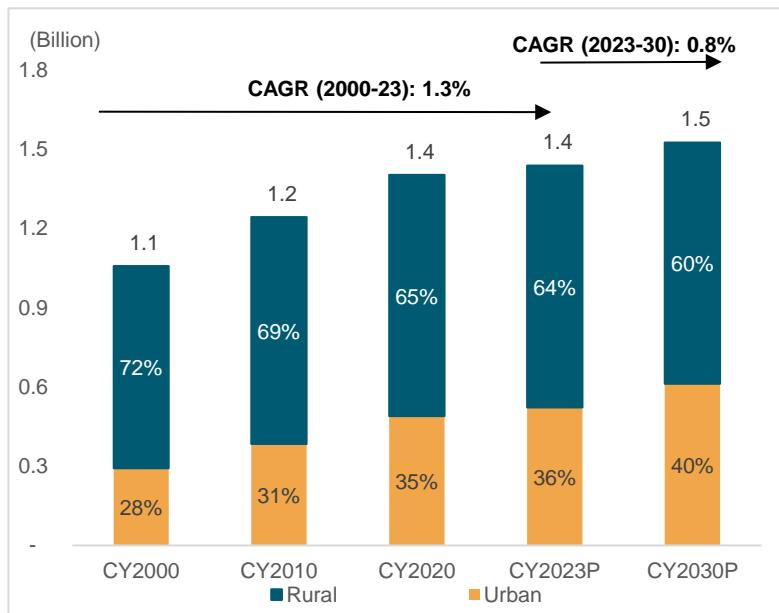
India's population below 25 years is projected to be ~39% by CY2030, contribute to a larger pool of potential customers for cruise industry

India's population is estimated to have grown to ~1.4 billion in 2023 as per World Population Prospects 2024, compared to 1.1 billion in 2000, thereby registering a CAGR of ~1.3%. Additionally, as per World Population Prospects 2024, the population of India is expected to remain the world's largest throughout the century and will likely reach its peak in the early 2060s at about 1.7 billion.

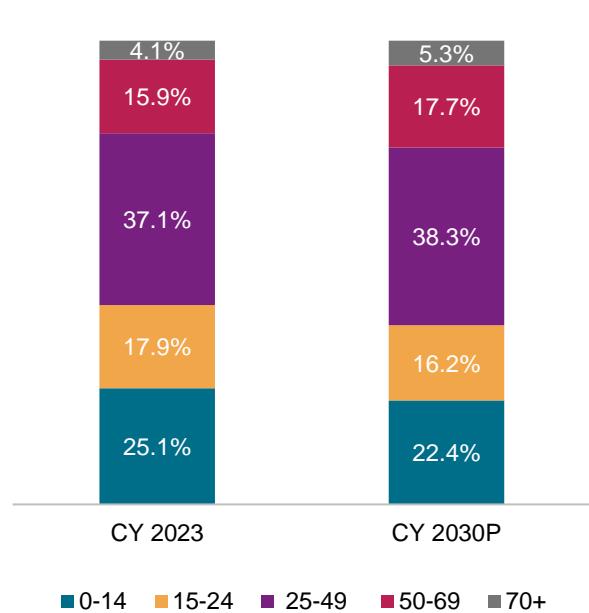
Furthermore, India's urban population has also been increasing over the years. The trend is expected to continue as economic growth increases. From ~28% of the total population in CY2000, the country's urban population is projected to reach nearly 40% by CY2030, according to a UN report on urbanisation. People from rural areas move to cities for better job opportunities, education and quality of life. Typically, migration can be of the entire family or a few individuals (generally an earning member or students).

This shift allows businesses that cater to urban consumers to increase their potential customer base, particularly in sectors like retail, luxury goods, and services. Additionally, the narrowing gap between rural and urban consumption expenditure also highlights increasing purchasing power of rural India, leading to a rising demand for products and services like entertainment, FMCD, FMCG, etc. which were conventionally associated with urban consumers.

India's population trajectory



Indian population by age group (both genders)



Note: P: Projected

Source: World Urbanization Prospects: The 2018 Revision, UN Department of Economic and Social Affairs, World Population Prospects 2024, Crisil Intelligence

India's population aged 25-49 years is projected to increase to ~38% by CY2030, indicates strong potential for disposable income, to contribute to discretionary consumer spending

The young population aged below 25 years is projected to be ~39% of total population by CY2030 which is expected to contribute to a larger pool of potential customers for cruise industry. Furthermore, the share of population aged 25-49 years as a percentage of total population stood at ~37% in CY2023 and is projected to increase to ~38% in CY2030, indicating a strong potential for disposable income.

This increasing share of working age population, coupled with overall economic growth will provide a larger consumer base for industries like entertainment, cruising, lifestyle products, etc. thereby driving greater consumer spending in consumer driven businesses. This growth in disposable income may also lead to an increase in spending on luxury and leisure sectors, including cruise, as consumers seek to enhance their lifestyle.

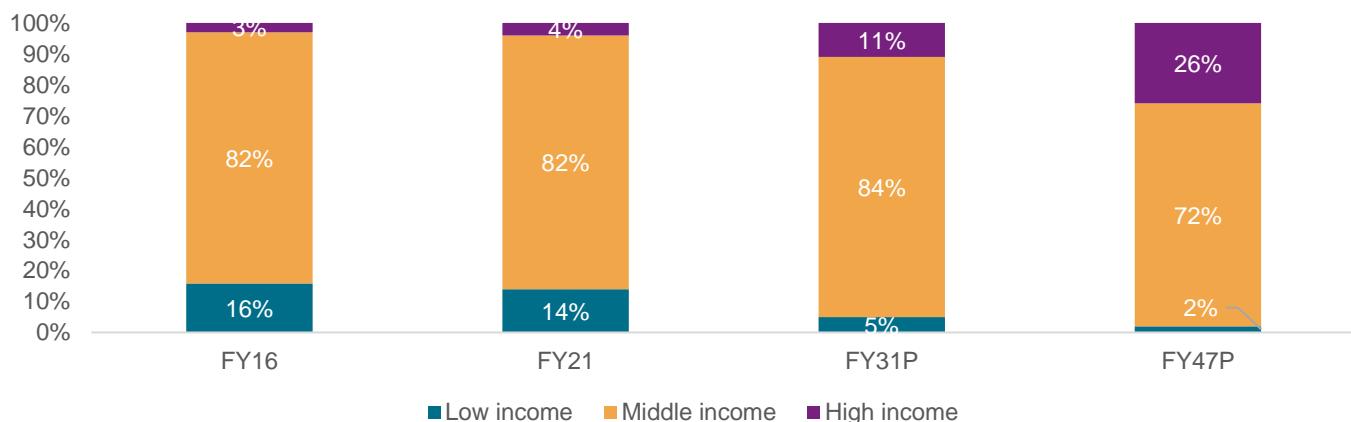
Growing middle income group

As per People Research on India's Consumer Economy (ICE) 360° survey, the proportion of poor in India (defined as those living on Rs 125,000 per annum or less) declined from ~16% in FY16 to ~14% in FY21. Conversely, the proportion of those in the middle- and high-income groups increased from 85% to ~86% between FY16 and FY21 respectively. Moving forward, this share is expected to reach ~95% and ~98% by FY31 and FY47 respectively, supported by growth in per capita income. Increasing income levels coupled with increasing share of discretionary spendings will also increase demand of higher value experiences across consumer-focused segments like retail, FMCG, FMCD, Hospitality, etc.

Increasing high income group in India to aid experience economy

As per People Research on ICE 360° survey, share of high-income group is projected to increase from 4% in FY21, to 11% in F31 and 26% in FY47. This increase in the high-income group is expected to fuel the demand for experience-based consumption. This, in turn is expected to positively impact industries like Cruise sector, hospitality, etc.

Income-based split of the population, India



P - projections

Note: Low-income group comprises those earning less than Rs 125,000 per annum, middle-income group comprises those earning between Rs 125,000 and Rs 3 million per annum, and high-income group comprises those earning more than Rs 3 million per annum. Percent figures are rounded off

Source: People Research on India's Consumer Economy (ICE) 360° survey, Crisil Intelligence

Rural households bridge the gap between urban-rural consumption divide

According to the latest Household Consumption Expenditure Survey (HCES) FY24 published by MoSPI, the average monthly per capita consumption expenditure (MPCE) was Rs 4,122 for the rural sector and Rs 6,996 for the urban sector in FY24. Additionally, the disparity between the MPCE for rural and urban households decreased to 69.7% in FY24 from 83.9% in FY12, indicating higher growth in rural consumption compared with urban consumption during the same period.

Furthermore, consistent with the trend observed in HCES:2022-23, non-food items remain the major contributor to the household's average monthly expenditure in 2023-24 with about 53% and 60% share in MPCE in rural and urban areas respectively. This shift in rural spending habits reflects increasing spends on discretionary items beyond essential food consumption, thereby contributing to multiple industries catering to discretionary demand.

Pan-India consumption trend

Sector	Average MPCE (Rs)*		
	2011-12	2022-23	2023-24
Rural	1,430	3,773	4,122
Urban	2,630	6,459	6,996
Difference as % of rural MPCE	83.9%	71.2%	69.7%

Note: Estimates without imputation

The estimates of MPCE are based on Modified Mixed Reference Period (MMRP) in which information on household consumption expenditure on (i) edible oil; egg, fish & meat; milk and milk products; vegetables; fruits; spices; beverages and processed foods; pan, tobacco & intoxicants has been recorded for a reference period of "last 7 days", and (ii) clothing; bedding; footwear; education; medical (hospitalisation); durable goods recorded for a reference period of "last 365 days", and (iii) expenditure on all other items has been recorded for a reference period of "last 30 days".

Source: HCES, Crisil Intelligence

2 Assessment of overnight ocean and coastal cruise industry in India

Cruise Tourism is a nature-based tourism segment which enables a country to leverage its' seas, rivers and canals for overnight and same day cruises across varied themes and across multiple budgets. Cruise tourism leverages a country's maritime infrastructure to contribute to tourism clusters, stimulating economic activity in coastal regions and empowering local communities through the creation of jobs and economic opportunities.

Importance of cruise tourism in India

India possesses significant potential in cruise tourism across both the coastal and river sectors, owing to its extensive maritime infrastructure. With its multiple ports along its ~11,099 kilometer coastline and a navigable network of 110 waterways spanning over 20,000 km, the country is well-positioned to develop this sector. Several states, union territories, and 1,300 islands benefit from proximity to coastal and riverine routes, creating vast opportunities for tourism expansion.

Additionally, the cruise tourism industry plays a vital role in generating direct employment, supporting professionals such as cruise crew, jetty operators, local tourist guides, cultural artists, boat operators, builders, and recyclers. It stimulates secondary employment in sectors like hospitality, restaurants, entertainment, and retail. Beyond economic benefits, cruise tourism fosters cultural exchange and strengthens regional integration. Local tourist destinations within a 50 to 100 km radius of cruise terminals experience increased demand, enhancing their visibility and economic viability. A robust cruise tourism sector would further bolster India's position in the global maritime industry.

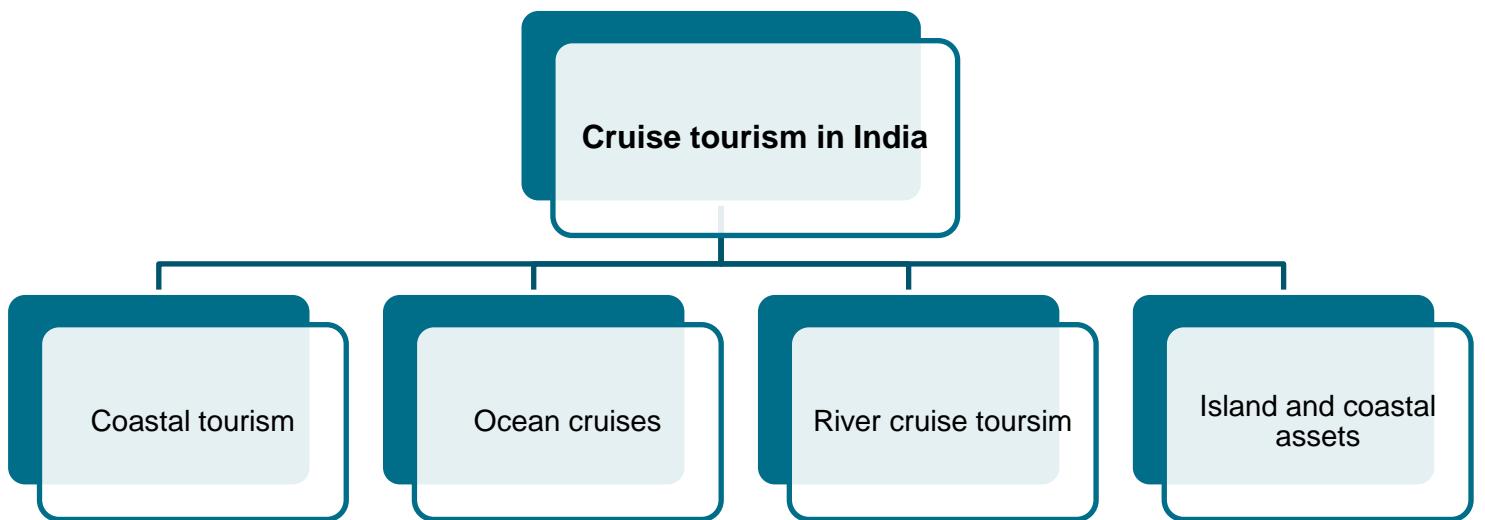
However, to realize its full potential, an integrated and coordinated approach is required, involving public and private sector stakeholders, including ports, shipyards, inland waterways, trade associations, and state governments. This will ensure the sustainable and rapid development of India's cruise tourism sector, leveraging its vast coastal and river assets for economic and cultural growth.

Types of cruise tourism in India

Additionally, cruise tourism can be further segregated to the following main cruise segments:

- Coastal Tourism (Domestic and Multi nation)
- Ocean cruises (International cruises)
- River Cruise Tourism (Inland waterways)
- Island and Coastal Assets

Cruise tourism in India



Source: Ministry of tourism, Crisil Intelligence

Coastal Tourism (Domestic and Multi nation)

India's vast coastline, spanning ~11,099 kilometres across nine states, two union territories, and two island territories, presents a significant opportunity for the development of coastal cruise tourism. Abundance of natural, cultural, religious, historic, and heritage tourism assets across the coasts further increases the potential for growth of this sector.

Furthermore, the Indian Ocean Rim, with its 24,000-kilometer coastline, offers a vast and untapped market for cruise tourism, with the possibility of generating foreign exchange earnings and domestic tourism spends.

The coastal cruise tourism traffic in India is growing, with immense potential for ships home-ported at Indian ports to undertake coastal tours to countries across the Indian Ocean Rim under bilateral and multilateral treaties. These cruises can offer specialized Indian tourism experiences focused on natural, cultural, religious, or historic themes, utilizing the western, southern, and eastern coasts of India, which have the advantage of being integrated with various tourism assets, including religious, heritage, colonial, cultural, architectural, and natural attractions.

Ocean Tourism

Ocean cruises are long distance voyages between countries or continents, whereas coastal cruises are shorter distance cruises and are usually limited to the shores of the home port country or nearby countries covered under bilateral and multi-lateral treaties.

India's extensive coastline presents a unique opportunity for the potential growth of ocean and deep-sea cruising, a rapidly expanding tourism segment globally. This sector has the potential to generate significant foreign exchange earnings from foreign flag, home-ported, and Indian flagged cruise vessels calling on Indian ports.

Several Indian ports, including Mumbai, Mormugao, Mangalore, Kochi, Chennai, Vishakhapatnam, Kolkata, Porbandar, Diu, and Somnath, are currently at various stages of development to accommodate international cruise operations. As India is strategically located on the route of many international cruise ships, it is essential to create a conducive environment to attract these vessels to Indian ports. However, this requires a highly integrated approach across multiple stakeholders, including shipping, ports, finance, customs, immigration, security, and agents.

By creating a favourable ecosystem, India can capitalize on the growing demand for ocean and deep-sea cruising, attracting more international cruise liners to its ports and generating substantial foreign exchange earnings. Hence, government of India has taken multiple steps to boost cruise tourism in India including launching of Cruise Bharat Mission, reducing cruise tariffs and charges, extending E-Visa and on-arrival visa facilities, and improving port infrastructure through schemes like Sagarmala, Maritime India Vision 2030, etc.

Rivers Cruises -Inland waterways

India has presence of extensive network of rivers, comprising approximately 400 waterways that span over 20,000 kilometres across 110 national waterways. These waterways, which include single and dual-state routes, as well as those that traverse multiple states, such as the 1,600-kilometre NW1 that stretches across Uttar Pradesh, Bihar, Jharkhand, and West Bengal, offer immense potential for river and canal cruise tourism. Despite the vastness of this network, only a small portion is currently being utilized, leaving a significant opportunity for growth and development.

The government of India has multiple initiatives to boost river cruise in India. Some of the key pointers are as follows:

- Berthing facilities: Floating pontoons have been placed at various locations for berthing of vessels and embarkation/disembarkation of tourists.
- Fairway: Navigational fairway along with marking of the channel with navigational aids and electronic navigation chart for safe plying of cruise vessels.
- Pilotage: Pilots are provided on-demand for navigating the vessel in the waterway.
- Coordination with State Govt.: Assistance is provided to the cruise operators in close coordination with State Governments for facilitating the voyage.
- Assistance to the vessel in distress: IWAI provides high powered tug to tow the cruise vessel to the safe location when they are in distress due to mechanical failure or otherwise, on the National Waterway.

Additionally, The Inland Waterways Authority of India (IWAI), the nodal agency of the Ministry of Ports, Shipping and Waterways (MoPSW) for National Waterways, has signed Memorandum of Understanding (MoU) with multiple agencies of various state governments like Delhi and J&K to develop and boost cruise tourism.

Furthermore, under Cruise Bharat Mission (CBM), which was launched in September 2024, the government aims to increase the river cruise passengers to 1.5 million by phase III (up to 31.03.2029) through a framework for inter-ministerial approach.

River cruise passenger related KPI under Cruise Bharat Mission

KPIs	Phase I (up to 30.09.2025)	Phase II (up to 31.03.2027)	Phase III (up to 31.03.2029)
River cruise pax	0.5 million	1 million	1.5 million

Source: Ministry of tourism, Crisil Intelligence

Moreover, the government launched River Cruise Tourism Roadmap 2047 in 2024, which focuses on four vital pillars, including Infrastructure, Integration, Accessibility, and Policy for promoting river cruise tourism. Additionally, the roadmap has identified 30+ additional potential routes for different cruise types, including long & short, recreational and heritage segments to attract all tourist categories.

Hence, the potential for river cruise tourism in India is substantial, with the ability to generate considerable foreign exchange earnings and domestic tourism spends. Furthermore, there is also the possibility of linking these waterways with islands and neighbouring countries, creating a vast and interconnected network of river cruise routes. These cruises can cater to a range of segments, including economy, mid-market, and luxury, as well as specialized and niche tourism markets, offering same-day or overnight multi-day experiences.

Some of the river cruises itineraries available in India are as follows:

Selected river cruise itineraries

Cruise operator	Itineraries	Duration	Price starting from*	Offerings**
Pandaw Cruises	Guwahati -Sailing – Tezpur - Nameri National Park – Kaziranga National Park – Village Life - Tea Garden & Silk Village - Guwahati (Rivers: Brahmaputra River)	7 nights	~Rs 348,591 per person	All-inclusive ¹
Pandaw Cruises	Kolkata - Barrackpore - Chandenagore - Kalna - Mayapur - Matiari - Murshidabad - Ajimganj - Farakka - Disembark Farakka (Rivers: Ganges River)	7 nights	~Rs 453,128 per person	All-inclusive ¹
Antara Cruises	Arrive Kolkata (Embarkation) - Kolkata Tour – Bally Bridge - Bally Bridge – Bandel - Bandel – Kalna - Kalna – Nabadwip – Mayapur - Mayapur – Guptipara – Fulia - Chandernagore – Serampore – Kolkata - Kolkata Disembark	7 nights	~\$ 5,275 ~Rs 460,297 per person	Complimentary wireless internet in all public areas, transfers to/from jetty for embarkation/disembarkation, shore excursion program series including entry fees, shoe cleaning after excursions, all meals (buffet breakfast, buffet lunch & seated multiple course dinner), complimentary water, tea, coffee, fruit juices & soft drinks, etc
Antara Cruises	Arrive Kolkata (Embarkation) - Kolkata – Bandel – Kalna - Kalna – Matiari - Matiari – Khushbagh -	7 nights	~\$ 5,275	

Cruise operator	Itineraries	Duration	Price starting from*	Offerings**
	Khushbagh – Baranagar – Murshidabad - Murshidabad – Mayapur - Mayapur – Chandernagore – Kolkata - Kolkata Disembark		~Rs 460,297 per person	

Note:

'As per Pandaw Cruises website, from September 2024, Pandaw's India expeditions will be all-inclusive, with complimentary local beers, spirits, mixers and soft drinks for all guests. It will also include free of charge select house wines during lunch and dinner only (subject to availability)'

The above table is an indicative representation of only selected river cruises itineraries of 7 Nights in India

Prices mentioned in the table are of indicative nature and do not represent final prices

Kindly note that the above itineraries may not be directly comparable due to difference in onboard offerings, package inclusions, taxes, deposits, ongoing discounts, member discounts, etc

*** only indicative and not exhaustive*

Source: Company websites, Crisil Intelligence

Islands & Coastal Assets

India is home to an estimated 1,300 islands, with approximately half of them located in the union territories of Andaman and Nicobar, Lakshadweep, Dadra and Nagar Haveli, and Daman and Diu. Furthermore, India's coastline is dotted with numerous assets, including around 200 lighthouses, coastal museums, and riverbanks and embankments, which can be leveraged to enhance the country's cruise tourism offerings.

Ministry of Tourism has taken multiple initiatives to boost islands and coastal tourism in India. For example, in February 2024, the government developed 75 Lighthouses with tourist facilities in 10 states & UTs with an investment of Rs 600 million. Additionally, the Ministry of Tourism has revamped the Swadesh Darshan Scheme as Swadesh Darshan 2.0 (SD 2.0) with the objective to develop sustainable and responsible tourism destinations, following a destination & tourism-centric approach and has notified 57 destinations in the country including Lakshadweep for development under SD 2.0. 'Travel for LiFE' initiative has been launched with the aim to promote sustainable tourism in the country, through mindful and deliberate actions mobilized toward tourists and tourism businesses in the consumption of tourism resources.

2.1 Overview of overnight ocean and coastal cruise industry in India

Overall cruise passengers registered a CAGR of ~19% between FY14 to FY24

In FY24, the overall cruise passengers increased to 471,685, compared to 426,846 in FY23, whereas total vessels increased to 253 in FY24 compared to 227 in FY23, both registering a y-o-y growth of ~11%.

Overall, total cruise passengers and total vessels registered a CAGR of ~19% and ~10% respectively between FY14-24.

Additionally, in FY24, domestic passengers held a share of 79% of total passengers, whereas the international passengers held the remaining share of 21%. However, compared to FY23, international passengers have gained a share of ~14%, indicating increasing numbers of international passengers.

Fiscal year wise cruise passengers and vessels

Fiscal Year	International		Domestic		Total	
	Vessels	Passengers	Vessels	Passengers	Vessels	Passengers
FY14	102	84,705	-	-	102	84,705
FY15	139	108,182	-	-	139	108,182
FY16	129	126,023	-	-	129	126,023
FY17	166	192,025	35	34,856	201	226,881
FY18	138	173,557	33	19,831	171	193,388
FY19	160	202,864	159	79,986	319	282,850
FY20	149	223,160	330	251,839	479	474,999
FY21	-	-	3	593	3	593
FY22	-	-	75	152,617	75	152,617
FY23	60	29,026	167	397,820	227	426,846
FY24	90	98,344	163	373,341	253	471,685
FY25*	82	86,536	136	365,162	218	451,698
CAGR (FY14-24)	-1%	2%	n.m.	n.m.	10%	19%

Note: The above numbers are as reported by Ministry of Ports and may include both embarking and disembarking passengers

** FY25 represent CY2024 numbers

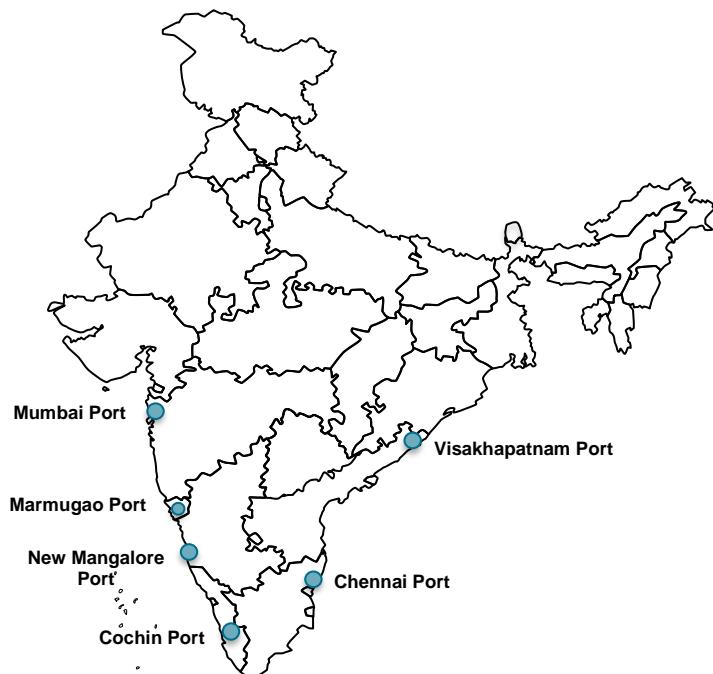
Source: Ministry of Ports, Crisil Intelligence

Mumbai port had the highest number of overall cruise passengers at 0.3 million in FY24

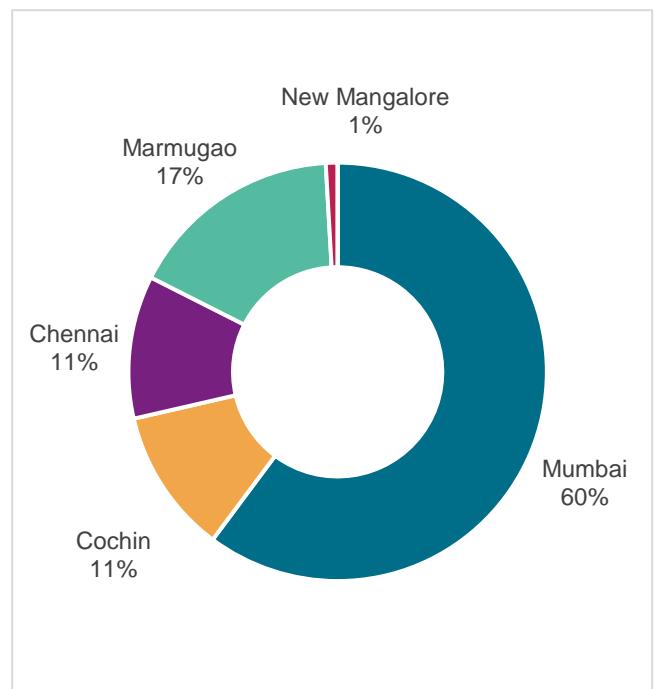
Mumbai port recorded the highest overall passenger traffic, handling approximately 0.3 million in FY24. It led in both domestic and international passenger movement.

In case of domestic passengers, Mumbai Port accounted for ~66% of the total domestic passengers, followed by Marmugao Port and Cochin Port at ~17% and ~9% share respectively. International passenger traffic was less concentrated, with Mumbai port holding 37% share, followed by Cochin Port and Chennai Port, which accounted for ~21% each.

Cruise ports in India



Share in overall passengers across ports (FY24)



Note: The above map is only for illustrative purposes and not to scale

Source: Ministry of Ports, Crisil Intelligence

Global cruise industry is consolidated, with Carnival, MSC cruises, Norwegian cruises and Royal Caribbean holding the dominant share

The global cruise industry is in a mature and highly consolidated phase, with dominant players like Carnival Corporation & Plc, MSC Cruises SA, Norwegian Cruise Line Holdings Ltd., and Royal Caribbean Cruises Ltd. operating vast fleets across multiple markets. Overall, these players hold the dominant share of more than 70- 80% in the global cruise industry.

Whereas Carnival Corporation & Plc, Norwegian Cruise Line Holdings Ltd., and Royal Caribbean Cruises Ltd are public listed companies, MSC Cruises SA is a privately held company. These companies benefit from economies of scale, extensive brand portfolios across market segments, and wide geographical presence through multiple port destinations and exclusive islands.

Additionally, there are multiple niche cruise operators like Disney Cruise lines, Lindblad Expeditions (Lindblad Expeditions Holdings, Inc.), Quark Expeditions (Travelopia group of companies), etc. continue to serve specialized niche segments. However, the overall global cruise industry is concentrated with the top four players holding the dominant market share. Furthermore, regulatory requirements coupled with capital intensive nature of the industry poses significant entry barriers for the industry and limits the entry of new players.

Some of the key global cruise companies

Global cruise company	Establishment year	Brands
Carnival Corporation & Plc¹	Carnival Corporation:1974 Carnival plc: 2000	AIDA Cruises, Carnival Cruise Line, Costa Cruises, Cunard, Holland America Line, P&O Cruises (Australia), P&O Cruises (UK), Princess Cruises, Seabourn
Norwegian Cruise Line Holdings Ltd²	1966	Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises
Royal Caribbean Cruises Ltd³	1985	Global brands: Royal Caribbean, Celebrity Cruises, Silversea Cruises, Partner brands: TUI Cruises, Hapag-Lloyd Cruises
MSC Cruises SA⁴	1988	MSC Cruises, EXPLORA

Note:

¹ Carnival Corporation was incorporated in Panama in 1974, and Carnival plc was incorporated in England and Wales in 2000. Carnival Corporation and Carnival plc operate a dual listed company ("DLC"), whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and through provisions in Carnival Corporation's Articles of Incorporation and By-Laws and Carnival plc's Articles of Association.

² Norwegian commenced operations from Miami, Florida in 1966, by offering weekly departures from Miami, Florida to destinations in the Caribbean. In February 2011, NCLH, a Bermuda limited company, was formed. In January 2013, NCLH completed its IPO and the ordinary shares of NCLC were exchanged for the ordinary shares of NCLH, and NCLH became the owner of 100% of the ordinary shares and parent company of NCLC.

³ Royal Caribbean was founded in 1968 as a partnership. Its corporate structure has evolved over the years and, the current parent corporation, Royal Caribbean Cruises Ltd., was incorporated on July 23, 1985, in the Republic of Liberia under the Business Corporation Act of Liberia.

⁴ Gianluigi Aponte founded the Mediterranean Shipping Company (MSC) in 1970. In 1988, MSC announced its entry into the cruise business

The above list of global cruise companies and their brand portfolio is only indicative and not exhaustive

Source: Company annual reports, websites, Crisil Intelligence

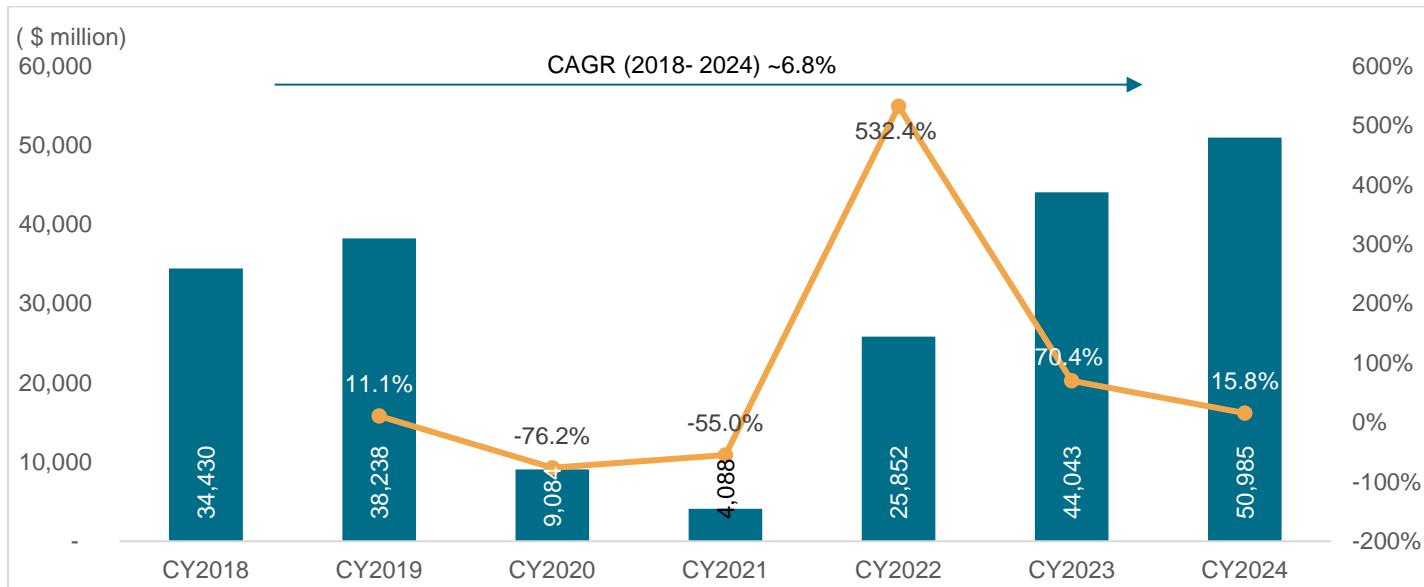
In 2019, the combined total revenue of Carnival Corporation & Plc, Norwegian Cruise Line Holdings Ltd., and Royal Caribbean Cruises Ltd. is estimated ~\$38,238 million compared to ~\$34,430 million in 2018, a y-o-y growth of ~11.1%.

However, the combined revenue of these three players experienced a downturn in 2020 and 2021, with revenue dropping to an estimated ~\$ 9,084 million and \$4,088 million respectively due to Covid-19 pandemic and subsequent travel restrictions.

However, with the resumption of cruise operations in 2022, owing to the opening of economy and mass vaccinations, the combined revenue of these players is estimated to have increased to \$25,852 million and \$44,043 million in 2022 and 2023 respectively.

In 2024, the combined total revenue of these players is estimated to have further increased to ~\$50,985 million compared to ~\$44,043 million in 2023, thereby registering a y-o-y growth of ~15.8%.

Estimated total revenue of Carnival Corporation & Plc, Norwegian Cruise Line Holdings Ltd., and Royal Caribbean Cruises Ltd



Note: For the purpose of the above chart, Carnival Corporation & Plc's annual revenue is attributed to the corresponding calendar year. For example, Carnival Corporation & Plc revenue for the year ended on November 30, 2024; is considered in CY2024 aggregate revenue

Source: Company annual reports, Crisil Intelligence

Overnight ocean and coastal cruise industry in India estimated to grow at 35-40% CAGR between FY25-30

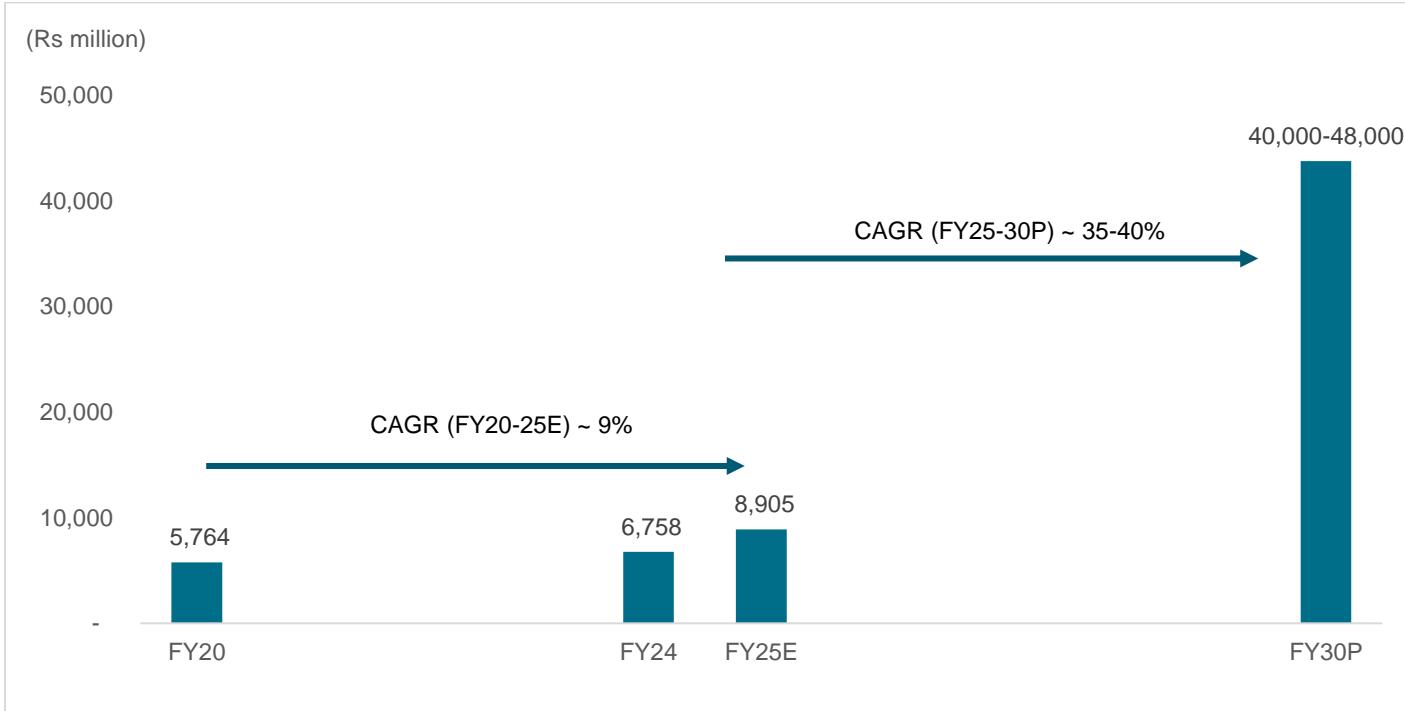
The overnight ocean and coastal cruise industry in India is estimated to be valued at Rs 8,905 million in FY25, compared to Rs 5,764 million in FY20, reflecting a CAGR of ~9% between FY20-25. The industry witnessed a decline in FY21 due to Covid-19 pandemic and subsequent travel restrictions. However, the market rebounded in FY22 and FY23 owing to pent up demand for leisure travel and entry of domestic cruise liner, which improved accessibility of the cruises.

Compared to the global cruise industry, India's cruise tourism market is relatively nascent—with developing port infrastructure, growing consumer awareness, and only one major overnight ocean and coastal cruise domestic operator currently active.

Hence, moving forward, the market is estimated to grow from Rs 8,905 million in FY25 to Rs 40,000-48,000 million in FY30. The cruise sector in India is expected to clock a significant growth of 35-40% CAGR (FY25-30), driven by the increasing number of domestic tourists seeking luxury vacations, a growing middle class with disposable income, a rising interest in international travel and robust government support. This growth will be additionally driven by expansion plans by existing major domestic cruise operator in India, improving port infrastructure, improved domestic cruise accessibility, increasing customer awareness about cruising, and government initiatives aimed at promoting cruise tourism and attracting foreign cruise operators.

Overall, a mix of these factors along with Indian travellers seeking premium vacation alternatives positions cruise industry as a potential high growth segment in domestic tourism.

Market size of overnight ocean and coastal cruise industry in India (Rs million)



Note: Kindly note that the above growth projections are based on the expansion plans of the only player in the space i.e. Waterways Leisure Tourism Limited as well as government initiatives to boost cruise tourism in India.

*Crisil has estimated the overnight ocean and coastal cruise industry in India considering domestic and international passengers embarking from India on cruise liners towards Indian and global destinations. The domestic passengers (traveling within India) have been estimated using data gathered from the industry and publicly reported by Ministry Of Ports, Shipping & Waterways. The current market definition considers (1) Estimated passengers who are embarking from India on either international cruise liners or domestic

cruise liners, towards global destinations; and (2) Estimated passengers embarking from India on domestic cruise liners traveling within India.

Source: Crisil Intelligence

Cordelia cruises: only domestic ocean cruise operator in India

Crisil has estimated the overnight ocean and coastal cruise industry in India considering domestic and international passengers embarking from India on cruise liners towards Indian and global destinations. The domestic passengers (traveling within India) have been estimated using data gathered from the industry and publicly reported by Ministry Of Ports, Shipping & Waterways. The current market definition considers (1) Estimated passengers who are embarking from India on either international cruise liners or domestic cruise liners, towards global destinations; and (2) Estimated passengers embarking from India on domestic cruise liners traveling within India.

With respect to the market definition provided above, Cordelia Cruises accounts for nearly ~65%* of the market share in value terms in FY24.

Market share of Waterways Leisure Tourism Limited in the overnight ocean and coastal cruise industry in India (FY24)*

Parameter	Value (FY24)
Waterways Leisure Tourism Limited- revenue from operation	Rs 4,421 million
Overnight ocean and coastal cruise industry in India	Rs 6,758 million
Market share of Waterways Leisure in overnight ocean and coastal cruise industry in India*	65%

Note:

*Crisil has estimated the overnight ocean and coastal cruise industry in India considering domestic and international passengers embarking from India on cruise liners towards Indian and global destinations. The domestic passengers (traveling within India) have been estimated using data gathered from the industry and publicly reported by Ministry Of Ports, Shipping & Waterways. The current market definition considers (1) Estimated passengers who are embarking from India on either international cruise liners or domestic cruise liners, towards global destinations; and (2) Estimated passengers embarking from India on domestic cruise liners traveling within India.

Source: Crisil Intelligence

Waterways Leisure Tourism Limited operates the only domestic cruise line “Cordelia Cruises” which operates majorly from Mumbai and Chennai. Waterways Leisure Tourism Limited was incorporated in 2020 in Mumbai. As of FY24, Cordelia brand operates cruises with its first premium 2,005 passenger ship – the “Empress”, which is in operation since September 2021.

International cruise destinations are heavily influenced by customer origin, Mumbai and Goa ports busiest in India

International cruise destinations are significantly shaped by the origin of customers as well as passengers age, as cruise lines design their itineraries based on passenger demand, travel preferences, weather conditions and accessibility. Cruise companies also consider factors such as visa flight connectivity and economic conditions in source as well as in destination markets while deciding itineraries.

For example, North American travelers drive cruise demand for destinations like Caribbean, Alaska, etc. while European customers contribute to the popularity of locations like Mediterranean, Northern Europe, etc. Similarly, Asian passengers usually prefer cruising within Asia.

Similar to regional trends, Indian travellers typically prefer cruising to destinations across Asia, including Singapore, Sri Lanka, Thailand, Malaysia, etc. For domestic cruises, Mumbai, Goa, Cochin, Visakhapatnam, Puducherry, Lakshadweep, and Chennai are some of the popular locations.

Furthermore, customer origin also influences which ports become key embarkation point, with majority of customers preferring embark ports in and around customers' own country. Additionally, increasing demand for expedition cruises, luxury cruises, etc. further refines cruise routes with adventure-seeking travelers exploring exotic locations like Antarctica and Galapagos while leisure-focused customers opting for destinations with entertainment and leisure options.

Overall, cruise destinations are influenced by multiple factors including passengers' origin, purpose of travel, demographic profiles (age, social-economic status), seasonal weather conditions and accessibility. Collectively, all these elements play a crucial role in shaping cruise itineraries and offerings.

Overview of prices for cruise industry

Domestic cruise itineraries

Itineraries	Price starting from*	Round Trip/ One way trip	Inclusions**
Mumbai - Goa	26,622	One way	All meals (including Jain food), entertainment shows, beverages
Mumbai - Mumbai	31,146	Round trip	All meals (including Jain food), entertainment shows, beverages
Mumbai - Kochi	23,664	One way	All meals (including Jain food), entertainment shows, beverages
Mumbai - Mumbai	29,754	Round trip	All meals (including Jain food), entertainment shows, beverages

Note:

The above table only represents selected itineraries of April 2025 itineraries (2N/ 3D) of Cordelia cruises

* Excluding GST per person in double occupancy

** Inclusions are subject to terms and conditions and may vary depending on the cabin type

Itineraries detail in the above table is only indicative and not exhaustive

Source: Company websites, Crisil Intelligence

Domestic cruise itineraries- Inclusions

Cabin Type	Offerings (inclusions)**
Interior and Ocean cabins (Standard, Upper, Premium)	Accommodation, meals at food court +starlight, access to swimming pool, access to fitness centre*, all-inclusive beverage package*, access to all public areas and lounges*, travel insurance, reserved section in the starlight (for premium), water bottles (500 ml) per person per day (standard:2 upper: 3 premium: 4), Cordelia academy for kids*, entertainment shows*, live band performances, Party under the stars, Disco night at dome
Mini Suite	All facilities of interior cabins, porter services (during check in and check out), water bottles (4*500 ml- per person, per day), toiletries, dental kit
Suite and chairman suites	All facilities of mini suite + breakfast and lunch at speciality restaurant, complimentary bridge tour*, evening meet with captain, Reserved section in the Marquee theatre for all entertainment shows, butler services, paid shows*, priority check in and check out, complimentary Wi-Fi*, complimentary laundry services*

Note:

The above table is only an indicative representation and not an exhaustive representation of offerings and cabin types

Cabin Type and related price inclusions based on Cordelia cruises offerings

* paid shows

The above inclusions are subject to terms and conditions

Source: Company websites, Crisil Intelligence

International cruise itineraries

Cruise operator	Itineraries/ Visiting ports	Duration	Round Trip/ One way trip	Price starting from	Inclusions [@]
Cordelia Cruises	Chennai - Hambantota - Trincomalee - Jaffna - Chennai	5N/6D	Round trip	INR 42,630 ¹	
Cordelia Cruises	Chennai - At Sea - At Sea - At Sea - Phuket - Phuket - Langkawi - At Sea - Kuala Lumpur - Singapore - Singapore	10N/11D	One way trip	INR 93,960 ¹	
Celebrity Cruises [^]	Mumbai (Bombay) - Goa (Mormugao) – Cochin – Colombo – Colombo – Hambantota – Phuket- Penang - Port Klang – Singapore	13N	One way trip	USD 1,179 ² (~INR 102,958)	
Celebrity Cruises [^]	Mumbai (Bombay) - Goa (Mormugao) – Colombo – Colombo – Hambantota – Phuket- Penang - Port Klang – Singapore	12N	One way trip	USD 1,763 ² (~INR 153,957)	
SilverSea [^]	Mumbai to Haifa (Nazareth) (Mumbai – Salalah - Safaga (Luxor) - Safaga (Luxor) - Aqaba (Petra), Jordan - Suez Canal Transit, Egypt - Ashdod (Jerusalem), Israel - Haifa (Nazareth), Israel	15 Days	One way trip	\$11,000 ³ (~INR 960,594)	

Note:

The above table is only an indicative representation of international itineraries/ cruise operators starting from any of the Indian ports

1 Excluding GST Per Person in Double Occupancy

2 Average per person; does not include taxes, fees and port expenses

3 Price starting from per guest

The above-mentioned prices are of indicative nature only and may not represent the total fare of the cruise due to exclusions of taxes, expenses, deposits, etc

Kindly note that the above itineraries may not be directly comparable due to difference in onboard offerings, package inclusions, taxes, deposits, ongoing discounts etc.

[^]Exchange rate used for USD- INR conversion is 1 USD= 87.3 INR

Itineraries detail in the above table is only indicative and not exhaustive

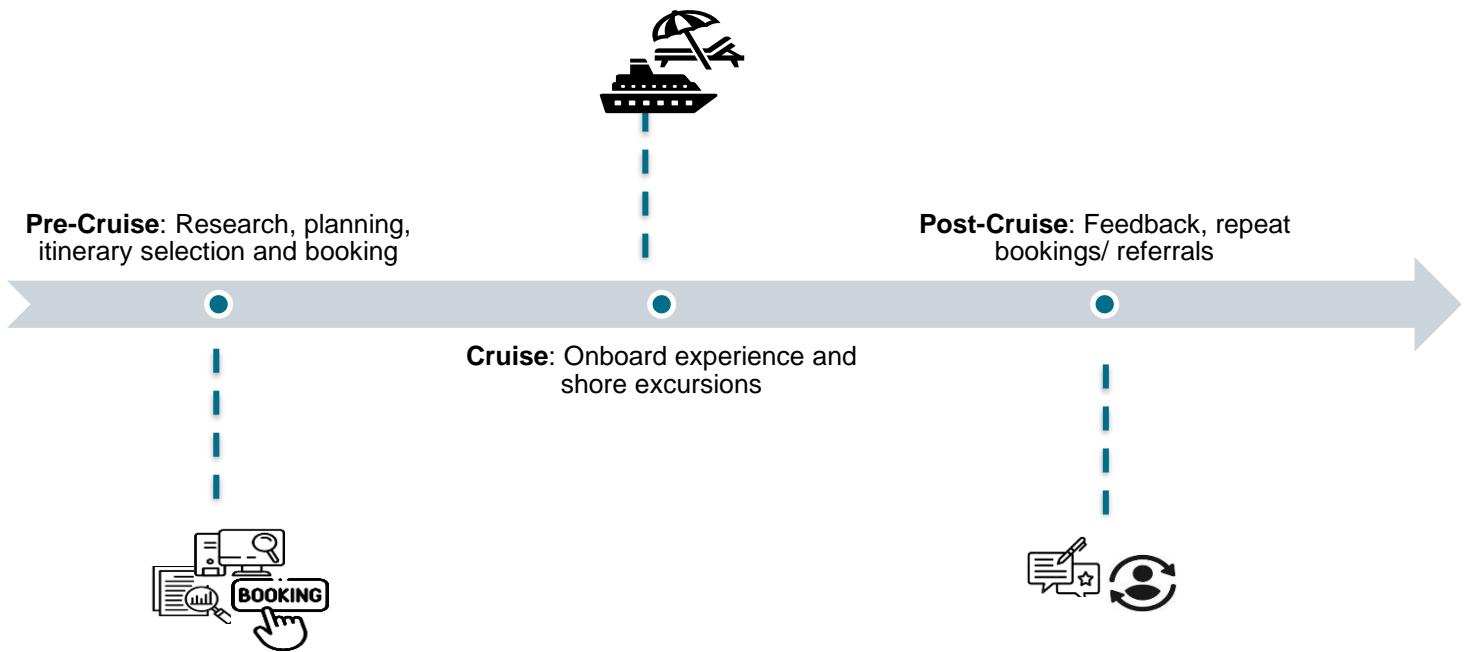
[@] The above inclusions are subject to terms and conditions and are of indicative nature only, not exhaustive

Source: Company websites, Crisil Intelligence

Overview of customer journey for the overnight ocean and coastal cruise industry in India

The overnight ocean and coastal cruise industry in India is a growing market, with an increasing number of travelers seeking unique and luxurious experiences. Understanding the customer journey is crucial for cruise operators to deliver smooth experiences, drive loyalty, and stay competitive. The overall customer journey for the overnight ocean and coastal cruise industry consists of three phases- pre cruise phase, cruise journey and post cruise phase.

Customer journey for the overnight ocean and coastal cruise industry in India



Source: Crisil Intelligence

More details about each of these phases are as follows:

- **Pre-Cruise Phase (Research and Booking)**

Potential customers are introduced to overnight ocean and coastal cruise industry in India through various channels, including social media, travel blogs, and word-of-mouth recommendations. Potential customers conduct research on available cruise options, itineraries, and prices via online platforms, travel agencies, cruise operator websites, and call centers.

After proper research into the available itineraries, customers book the one which aligns with their needs, i.e. budget, destination preference, duration, onboard offerings, etc. through various channels, including online, telephone, or in-person at a travel agency.

Post successful booking, customers receive comprehensive pre-cruise information, including required documentation, itinerary details, and onboard amenities, to ensure a seamless and informed experience by the cruise liners.

- **Cruise Journey (Pre-Boarding, Cruise trips, excursions, Disembarking)**

During this phase, customers complete the check-in process and baggage handling, which includes the completion of necessary paperwork and security procedures at the port of departure. After successful completion of the check-in process, customers board the vessel and are introduced to their berths as well as informed about the necessary onboarding details.

Post which customers have the opportunity to familiarize themselves with the onboard amenities and facilities. Customers have access to a range of onboard amenities, including pools, fitness centers, and shopping areas, etc. depending on their selected package, which designed to enhance their overall experience. Additionally, certain cruise liners also have onboard future cruise consultants who educate travelers about upcoming cruise itineraries and loyalty programs by the cruise liners as well as offer general cruise planning expertise.

Furthermore, customers can book shore excursions, either onboard or pre-cruise, to explore destinations and experience local culture during which they participate in guided tours, activities, and experiences at port of call, which are designed to provide a deeper understanding of the local culture and environment.

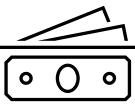
Post successful completion of the trip, customers disembark the vessel, collect their luggage, and complete any necessary paperwork, marking the conclusion of their onboard experience.

- **Post-Cruise (Feedback survey, repeat bookings)**

Customers are encouraged to provide feedback on their cruise experience through channels like questionnaires, online surveys, phone calls, etc; which is used to inform future improvements and enhancements. Additionally, customers may receive follow-up communication including special offers, loyalty program updates, and future cruise promotions, through emails, messages, calls, etc.; designed to foster loyalty, upsell and encourage repeat business.

Furthermore, some customers may prefer to share their cruise experiences on social media, influencing friends and family, and providing valuable testimonials and recommendations, which provides organic customer acquisition through word of mouth.

2.2 Overview of overnight ocean and coastal cruise passengers' profile

Criteria	Traveler's profile	
	Global	Indian
	<ul style="list-style-type: none"> Split between cruise passengers is tilted towards older age group, with 45-50 age group forming the dominant share in the overall passenger mix. Furthermore, difference in the overall passenger mix can be present basis itinerary, region, duration of cruises. Increasing popularity of cruises, coupled with the growing influence of social media marketing, is expected to increase in the proportion of young passengers in the overall mix 	<ul style="list-style-type: none"> Average age of cruise passenger in India is slightly lesser than the global average, with 35-40 age group forming the dominant share in the overall passenger mix. Similar to global trends, difference in the overall passenger mix can be present basis itinerary, region, duration of cruises.
	<ul style="list-style-type: none"> Overall, cruise passengers usually have varied educational backgrounds, though overall demographics tilt towards well educated group (college degree and above) Additionally, a significant portion of cruisers, especially those utilising cruise for corporate events, tend to have different formal/degree education backgrounds. 	<ul style="list-style-type: none"> Mirroring global trends, Indian cruise passengers come from diverse educational backgrounds, with overall demographics tilting towards educated group Variations may exist based on the type of event, purpose of travel, age, etc. For instance, cooperative events tend to attract qualified professionals', executives, etc. often with more advanced degree
	<ul style="list-style-type: none"> The purpose of travel includes business/professional, as well as leisure. However, the overall cruiser mix is tilted towards leisure activities. Nonetheless, increasing awareness of cruising coupled with growing onboard offerings is also influencing onboard MICE events (Meetings, Incentives, Conventions and Exhibitions) 	<ul style="list-style-type: none"> Cruising in India includes both - business/professional and leisure activities. Though, leisure remains the main motivator for cruise travel, in recent years improving awareness of cruising coupled with growing onboard offerings has led to increase demand of onboard MICE events, weddings, etc
	<ul style="list-style-type: none"> Cruisers come from varied socio-economic backgrounds, with majority of them falling between middle-income bracket to high-income bracket. Usually, cruisers from middle income are budget-conscious and prefer affordable experiences, whereas people from the upper-middle-income and high-income bracket prefer premium services and new experiences 	<ul style="list-style-type: none"> Majority of Indian cruisers fall between middle-income bracket to high-income bracket. However, overall spending trends may vary based on age, itineraries, location, etc.
	<ul style="list-style-type: none"> Cruisers passengers comprise of both type of travellers i.e. solo travellers and group travellers. However, the overall mix is tilted towards group travel who prefers travelling with family (spouses, multi-generational, etc) or group 	<ul style="list-style-type: none"> Similar to global patterns, Indian cruise travellers include both solo and group travellers Group travels are common for family vacations, corporate events, and weddings, whereas solo cruise traveling is also gaining traction owing to factors like women led travel, etc.

Source: Crisil Intelligence

Persona-based maps for cruise passengers

Parameter	Family traveller	MICE Client	Luxury explorer
 Demographics	<ul style="list-style-type: none"> Married Middle to upper-middle class 	<ul style="list-style-type: none"> Corporate executive/ event planner Upper-middle class to affluent 	<ul style="list-style-type: none"> Well-travelled and experienced cruise traveller High income group to affluent
 Goals	<ul style="list-style-type: none"> Spend quality time with family Create memories and relax 	<ul style="list-style-type: none"> Host a successful corporate event or meeting, Business related- Built business relationships, reward employees, etc 	<ul style="list-style-type: none"> Experience new and exotic destinations Indulge in luxury Learn about history, culture, and nature
 Values	<ul style="list-style-type: none"> Family bonding, convenient, affordable, etc 	<ul style="list-style-type: none"> Professionalism, efficiency, customization, etc 	<ul style="list-style-type: none"> Exclusivity, sophistication, personalized service, etc
 Pain Points	<ul style="list-style-type: none"> Finding activities that cater to all age groups, managing childcare, staying within budget 	<ul style="list-style-type: none"> Finding a venue that meets specific needs and budget, coordinating logistics and catering 	<ul style="list-style-type: none"> Finding unique destinations, ensuring high-quality accommodations and amenities,
 Preferred Cruise Experience	<ul style="list-style-type: none"> Budget friendly offerings suitable for families including onboard activities, shore excursions, etc 	<ul style="list-style-type: none"> Premium amenities, meeting and event facilities, customized event planning and coordination, 	<ul style="list-style-type: none"> Luxury amenities, exclusive shore excursions, personalized service, high-end entertainment programs
 Communication Preferences	<ul style="list-style-type: none"> Social media, email newsletters, online reviews, forums, word-of-mouth referrals 	<ul style="list-style-type: none"> Email, phone calls, in-person meetings, industry publications and trade shows 	<ul style="list-style-type: none"> Luxury travel publications, websites, high-end travel agencies and concierge service

Source: Crisil Intelligence

2.3 Regulatory environment and key government policies/schemes

Cruise Bharat Mission

The 'Cruise Bharat Mission', launched in September 2024, aims to double cruise passenger traffic by 2029 through a phased approach that includes conducting studies, master planning and forming cruise alliances with neighboring countries, and modernizing existing cruise terminals and developing new ones to enhance the potential of cruise circuits.

As per the national roadmap for development of cruise tourism by Ministry of Tourism & Ministry of Shipping, the government has cited growth over 25 years in number of passengers from 0.2 million in 2016 to 4 million in 2041.

The Cruise Bharat Mission will be implemented in three phases, beginning from 1 October 2024 up to 31 March 2029

- The Phase 1 (01.10.2024 – 30.09.2025) will focus on conducting studies, master planning, and forming cruise alliances with neighbouring countries. It will also modernise existing cruise terminals, marinas, and destinations to enhance the potential of cruise circuits.

- The Phase 2 (01.10.2025 – 31.03.2027) will concentrate on developing new cruise terminals, marinas, and destinations to activate high-potential cruise locations and circuits
- Phase 3 (01.04.2027 – 31.03.2029) will focus on integrating all cruise circuits across the Indian Subcontinent, marking the maturity of the cruise ecosystem while continuing the development of cruise terminals, marinas, and destinations.

KPIs in respect to cruise passenger under Cruise Bharat Mission

KPIs	Phase 1 (01.10.2024 – 30.09.2025)	Phase 2 (01.10.2025 – 31.03.2027)	Phase 3 (01.04.2027 – 31.03.2029)
Sea Cruise Pax	0.5 million	0.7 million	1.0 million
River Cruise Pax	0.5 million	1.0 million	1.5 million

Source: PIB, Crisil Intelligence

Key performance targets across the phases include increasing sea cruise passengers from 0.5 million in Phase 1 to 1 million by Phase 3, with corresponding increases in sea cruise calls from 125 to 500. River cruise passengers will grow from 0.5 million in Phase 1 to 1.5 million by Phase 3. The number of international cruise terminals will expand from 2 in Phase 1 to 10 by Phase 3, while river cruise terminals will increase from 50 to 100. Similarly, marinas will grow from 1 to 5, and employment generated will rise from 0.1 million to 0.4 million by the final phase.

Sagarmala scheme to improve port infrastructure

The Sagarmala Programme, launched in March 2015, by the Ministry of Ports, Shipping, and Waterways, with the objective of fostering port-led development, reducing logistics costs, and accelerating economic growth. The programme includes projects from various categories such as modernisation of existing ports and terminals, construction of RoRo/RoPax & tourism jetties, enhancement of port connectivity, fishing harbours, skill development and technology centres, etc. There are 839 projects worth investment of ~Rs. 5.8 trillion for implementation under the Sagarmala Programme.

Additionally, under Sagarmala Programme, the Government has undertaken development of 63 infrastructure projects at 57 locations to facilitate passenger and cargo transportation through RoPax and Passenger ferry services. This improved connectivity through RoPax services has stimulated economic activities in coastal regions by facilitating unhindered movement of goods and people, which in turn has contributed to the development of local industries and tourism.

National Strategy for Cruise Tourism

Ministry of Tourism has drafted a National Strategy for Cruise Tourism to position India as a preferred destination for cruise tourism globally. The Ministry of Tourism also provides financial assistance to the State Governments/UT Administrations and Central Government Agencies for development of tourism including Cruise Tourism and Cruising along rivers, under the Swadesh Darshan Scheme and scheme for 'Assistance to Central Agencies for Tourism Infrastructure development'. The details of some key projects sanctioned for infrastructure development at Ports and Waterways under the scheme of Assistance to Central Agencies are mentioned in the table below.

Some of the projects sanctioned for infrastructure development at ports and waterways under the scheme of assistance to central agencies

States/ UTs	Year	Name of Projects	Implementing Agency	Amount sanctioned (Rs million)
Maharashtra	2017-18	Up-gradation /modernization to International Cruise terminal at Indira Dock, Mumbai.	Mumbai Port Trust	125
Goa	2018-19	Improvement of immigration facility and deepening of existing cruise berth at Mormugao	Mormugao Port trust	132
Kerala	2018-19	Developing infrastructure at Cochin Port Cruise Terminal.	Cochin Port Trust	12
Kerala	2018-19	Creation of additional tourism facilities at the Cochin Port Trust Walkway	Cochin Port Trust	47
Andhra Pradesh	2018-19	Construction of Cruise-cum-Coastal Cargo Terminal at Channel berth area in Outer Harbour of Visakhapatnam Port	Visakhapatnam Port Trust	385
Kerala	2019-20	CFA for Development of Additional infrastructure in the new Cochin Port Trust Terminal	Cochin Port Trust	103
Goa	2021-22	Creation of facilities for International and Domestic Cruise Vessels at Mormugao Port, Goa by Mormugao Port Trust (MPT)	Mormugao Port Trust	500
Maharashtra	2021-22	Upgradation/Modernisation to International Cruise Terminal at Indira Dock, Mumbai Port Trust	Mumbai Port Trust	375

Source: PIB, Crisil Intelligence

Multiple initiatives to promote cruise industry including tax incentives, e-visa, and rationalised cruise tariff

The Government has taken several steps to promote coastal and cruise tourism in India including priority berthing for cruise vessel, rationalised cruise tariff, discounts to cruise ships based on volume of their calls, removal of ousting charges, single e-Landing Card, E-Visa and on-arrival visa facilities and waiving of cabotage for foreign cruise vessels etc.

Some of the major initiatives to attract international cruise lines and promote cruise tourism are as follows:

- To promote tourism, conditional IGST exemption has been approved for foreign flag foreign going vessel when it converts to coastal run, subject to its reconversion to foreign going vessel within six months.
- For berthing, cruise vessels are given priority over cargo vessels.
- Rationalized cruise tariffs have been introduced.

- Port charges are recovered @ \$0.085/GRT (fixed rate) and a nominal passenger head tax of \$ 6 for first 12 hours of stay at berth.
- Cruise ships are provided with discounts ranging from 10% to 30% based on the volume of their calls.
- Ousting charges have been removed to attract cruise vessels.
- E-Visa and on-arrival visa facilities have been extended.
- Single e-Landing Card has been introduced which is valid for all ports in cruise itinerary.
- Cabotage has been waived for foreign cruise vessels. This relaxation allows foreign cruise ship to transport Indian nationals from one Indian Port to another Indian Port during its domestic leg.
- Provided a presumptive taxation regime for non-residents engaged in the business of operation of cruise ships subject to certain conditions. Further, exemption has been provided for any income of a foreign company from lease rentals of cruise ships, received from a related company which operates such ship or ships in India (subjected to prescribed conditions).

Maritime India Vision 2030

The Maritime India Vision (MIV) 2030, launched in 2021, provides a comprehensive framework for the holistic development of India's maritime sector, encompassing ports, shipping, and waterways. MIV 2030 outlines 150 initiatives aimed at propelling India to global maritime leadership.

Its 10 interconnected themes such as port infrastructure development, enhancing logistics efficiency, improving Indian shipbuilding tonnage, increasing coastal and waterway traffic, fostering technology innovation and policy support, promoting sustainability and global collaboration, address every facet of the maritime ecosystem, ensuring a well-rounded approach to transforming India into a leading maritime nation.

Furthermore, Ministry of Ports, Shipping and Waterways has introduced several new initiatives to advance the goals of the Maritime India Vision 2030 (MIV 2030) and Maritime Amrit Kaal Vision 2047 (MAKV 2047). Some of the major initiatives related to cruise tourism are as follows:

- With the government's commitment to transforming India into a global hub for cruise tourism, the Cruise Bharat Mission, launched by the Ministry of Ports, Shipping, and Waterways, aims to double cruise passenger traffic by 2029. This initiative includes developing world-class infrastructure, enhancing digitalization and decarbonization, and creating tailored fiscal and financial policies to support the growth of the cruise industry.
- Development of six new international cruise terminals to boost tourism and position India as a major global cruise destination (Kolkata, Porbandar, Ganpatipule, Diu, Somnath, and Konark).

Additionally, initiatives promoting cruise tourism and maritime services have further expanded employment prospects, contributing to economic growth and skill development in the sector.

Amrit Kaal Vision 2047

Ministry has formulated the Amrit Kaal Vision 2047, a comprehensive roadmap for the next 25 years. Maritime India Vision 2030 includes 10 themes like port infrastructure, logistics efficiency, and sustainability. The Amrit Kaal Vision 2047 expands on this with 11 themes including green initiatives, cruise sector promotion and technological innovation. Over 300 initiatives have been identified to transform India into a leading maritime nation.

Within Promote Ocean, Coastal & River Cruise Sector, 25 initiatives have been identified, of which the key initiatives for promoting ocean, coastal & river cruise sector in India include infrastructure initiatives such as developing cruise terminals and marinas along the East & West Coast of the country and develop inland waterways for river cruises. Apart from infrastructure, policy initiatives are also proposed which include relaxing cabotage rules, extending e-visa facility to five ports, fiscal incentives in terms of custom duty exemption on consumables, reduction in GST on tickets etc. Other initiatives include updating the Standard Operating Procedures for cruise vessels in line with international standards, establishing a centralized fund under SDCL with capital to be provided by major ports for subsidizing the Ro Ro/Ro-PAX operations, capacity building through establishing training academies etc

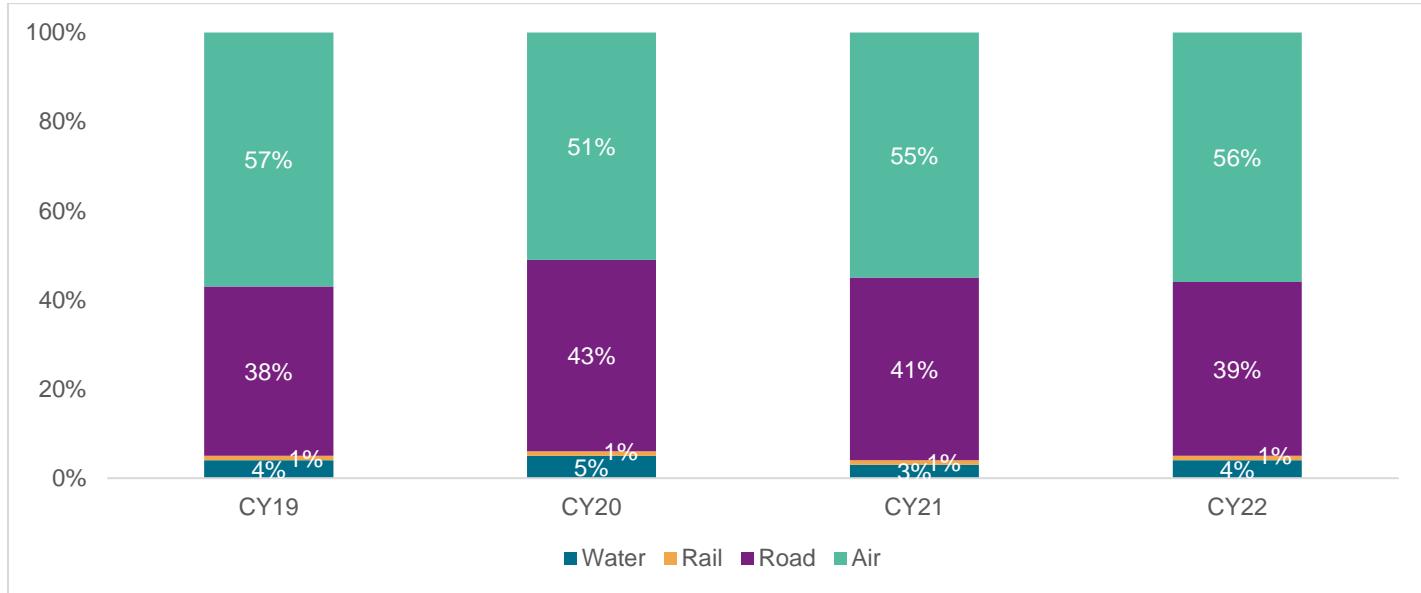
2.4 Key growth factors

Growing global cruise industry to support Indian cruise industry

Share of water in global inbound tourism improved in 2022

While air travel remained the preferred mode of inbound tourism, with its share increasing to 56% in 2022, from a low of 51% in 2020 and 55% in 2021, share of road transport fell to 39% in 2022 from a high of 43% in 2020, suggesting a return to precrisis transportation preferences. However, the share of water transport improved in 2022 to 4% compared to 3% in 2021, indicating increased demand for cruise tourism.

Share of water: inbound tourism



Source: UN Tourism, Crisil Intelligence

Cruise tourism recovered in 2023; cruise passengers exceeded pre covid level

Global ocean going cruise passengers recovered in 2023 to 31.7 million, compared to 29.7 million 2019, driven by factors such as rising disposable incomes, experimental traveling, better on-board offerings and growing demand for premium luxury cruises.

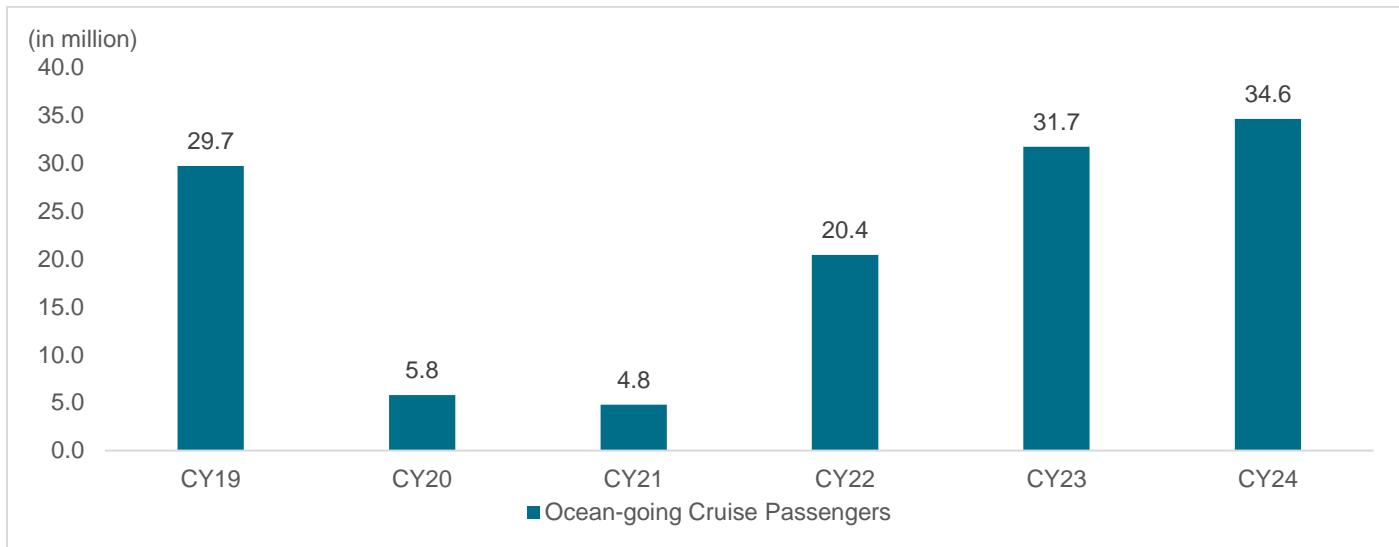
Additionally, the expanding potential customer base of the cruise industry is also positively impacting the overall demand for cruises. Rising income levels coupled with increased awareness of cruise travel have made cruise travel more accessible to the younger age group. Simultaneously, an aging population with better financial stability and leisure time

has contributed to the growth of premium cruises. The expansion of cruise itineraries to diverse and exotic places including Antarctica, etc. has also attracted new travellers to the cruise industry.

Furthermore, multiple cruise lines have expanded their onboard menu and entertainment options to ensure comfortable onboard experience. Many cruises cater to specific dietary needs of their onboard passengers by providing Halal, Jain, Kosher, Vegan options etc., ensuring a more inclusive experience for travellers across various backgrounds. Additionally, entertainment options have expanded beyond traditional performances to include performances as per travellers' music tastes like Bollywood, regional performances, etc.

Moving forward, the overall growth of the cruise industry is expected to be driven by expanding the potential customer base of cruise travellers alongside enhanced onboard offerings tailored to diverse travel segments (premium, luxury, expedition, contemporary, etc). Additionally, the increasing awareness of cruise travel and its improving accessibility to a broader audience are expected to further contribute to the overall growth of the sector.

Ocean-going Cruise Passengers



Note:

Number of Passengers sailing on CLIA-member oceangoing cruise lines

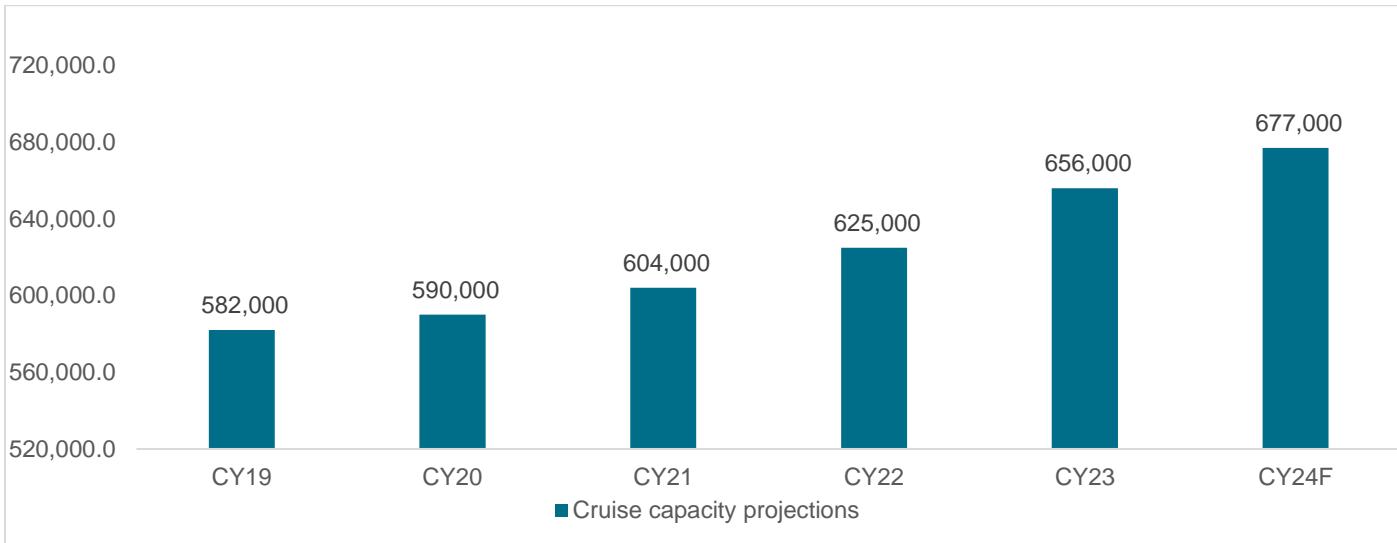
Source: Cruise Lines International Association (CLIA), Crisil Intelligence

Growth in global cruise capacity to cater to increasing cruising demand

The global cruise industry is experiencing an expansion in overall cruise capacity, driven by investments in fleet growth by major cruise liners due to increasing popularity of cruising as a mode of vacation. The introduction of newer, more sophisticated cruise ships is not only aimed at accommodating the rising demand for cruising but also at enhancing onboard product offerings. Furthermore, the industry is also witnessing a surge in demand for smaller expedition cruise ships, driven by the increasing desire for immersive and experiential travel to remote places.

Overall global cruise capacity, as reported by CLIA, was ~656,000 as of 2023, compared to 582,000 in 2019. Moving forward, the overall capacity growth of cruise industry is expected to be driven by the introduction of new ships, the expansion of existing fleets, and the increasing popularity of niche cruising segments, such as expedition and luxury cruising.

Global cruise capacity additions



Note: F: Forecast

Source: CLIA, Crisil Intelligence

Low penetration of cruise industry provides potential for future growth

As of 2023 (FY24), estimated cruise penetration in developed markets like North America stood at approximately 4.74% whereas cruise market penetration of India stood at approximately 0.01%, indicating enormous untapped potential. This low penetration of cruise industry in India coupled with growing awareness of cruising, improving port infrastructure, rising disposable incomes, increasing trend of experiential travel, etc. provides the industry massive growth opportunities for cruise operators to expand in India.

Estimated cruise penetration

India	North America
~0.01%	~ 4.74%

Note: Penetration calculated basis source region passengers reported by CLIA for North America

Penetration for India calculated basis estimated domestic cruise passengers and international cruise passengers embarking from India
Source: CLIA, World Population Prospects 2024, Crisil Intelligence

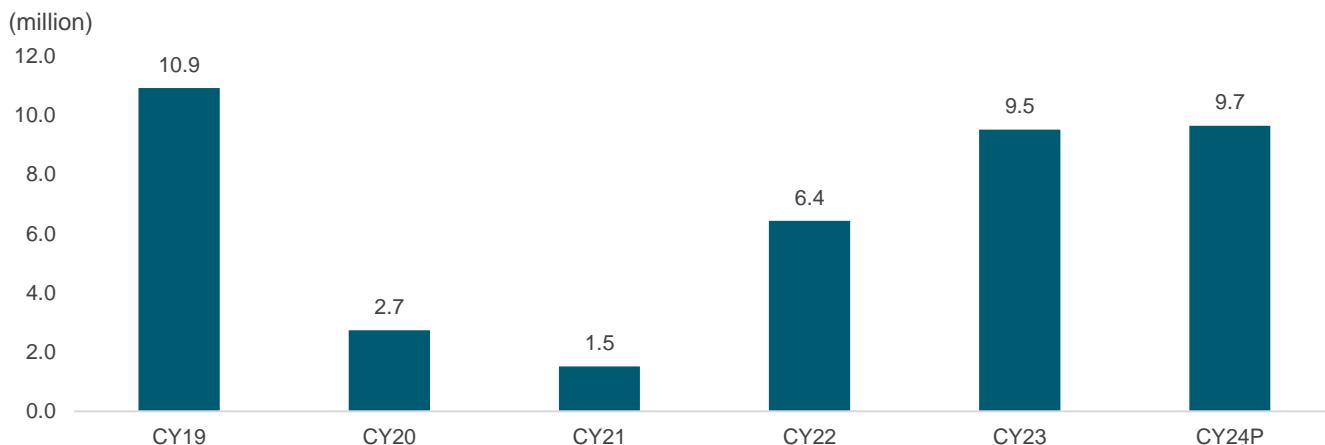
Key growth factors of Indian cruise industry

Foreign tourist arrivals in India improved to 9.7 million in 2024, indicates enhanced travel demand

Foreign tourist arrivals (FTA) in India increased to ~9.7 million in 2024 from ~9.5 million in 2023, a 1.4% y-o-y growth. FTA registered mild growth rates of 3.5% in 2019, before falling ~75% to 2.7 million in 2020 on account of the Covid-19 pandemic. FTA fell further to 1.5 million in 2021 before recovering to 6.4 million in 2022.

The growth in FTAs is mainly driven by the post-pandemic revival of global travel, growing medical tourism in India, and increasing confidence in India as a diverse and culturally rich destination. Additionally, enhanced air connectivity has improved accessibility to key tourist spots, while continuous development of tourism infrastructure has elevated the visitor experience. Furthermore, targeted domestic and international marketing campaigns is expected to strengthened India's global appeal, which will positively impact Indian tourism sector, including cruising industry.

FTA in India (million)



Note: P: provisional

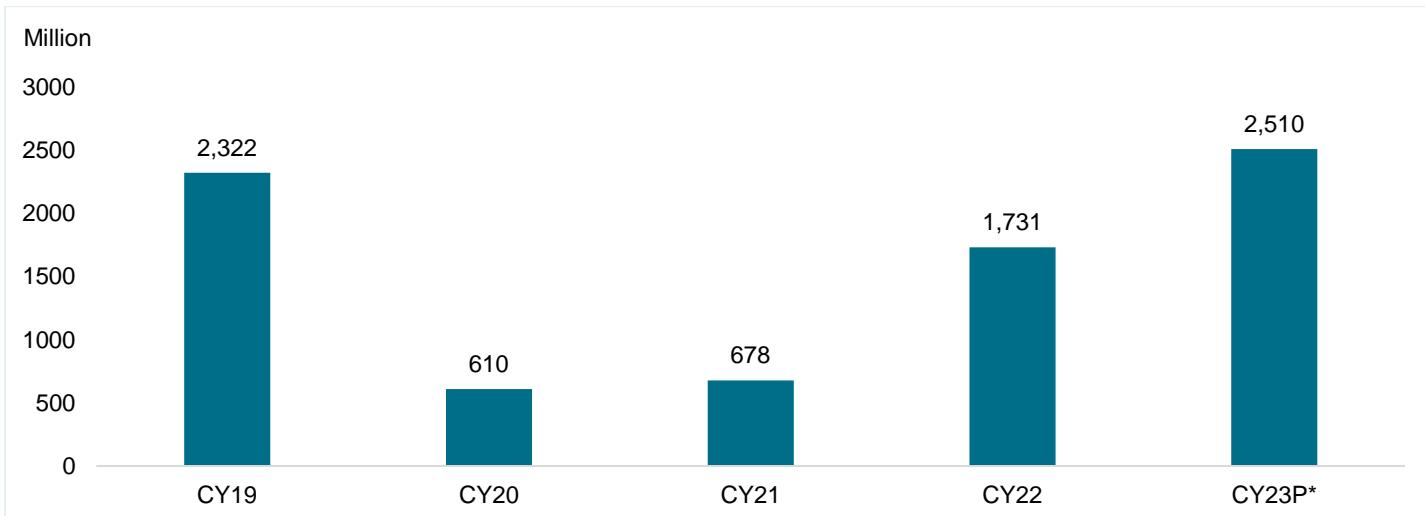
Source: Ministry of Tourism, Crisil Intelligence

Domestic tourists grew by 45% in 2023 compared to 2022, surpassed pre-COVID levels

The domestic tourism sector in India has witnessed a notable surge in growth, attributable to the efforts of the Government of India through initiatives such as Dekho Apna Desh, PRASHAD, and the Vibrant Village Programme, amongst others which have increased awareness regarding the nation's diverse tourist attractions and facilitated the expansion of tourism-related activities, thereby yielding a substantial increase in domestic tourist visits.

According to provisional data, the year 2023 recorded 2,510 million domestic tourist visits, marking a significant rise from the 1,731 million visits documented in 2022, suggesting revived demand of domestic tourism. In order to support this growth trajectory, the Government of India has invested approximately \$1 billion in the development of tourism infrastructure, with the objective of enhancing the overall tourist experience, which is anticipated to further bolster the sector's growth, thereby positioning India as a premier global travel destination.

Domestic tourist visits



Note: P* - Provisional

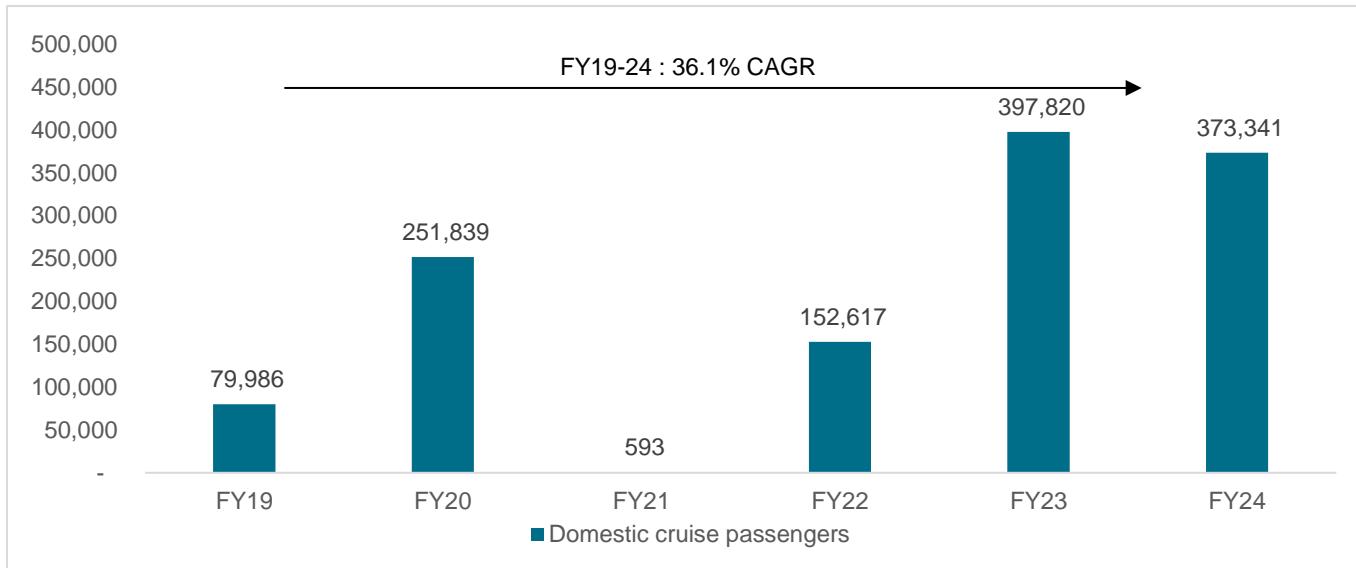
Source: PIB, DGCA, Crisil Intelligence

Domestic cruise passengers' volume grew by a CAGR of ~36% between FY19-24, indicates rapidly growing cruise demand

Domestic cruise passengers' volume increased to 373,341 in FY24 compared to 79,986 in FY19, thereby registering a strong CAGR of ~36% between FY19-24. The domestic cruise passengers witnessed a decline in FY21 and FY22 due to Covid 19 pandemic and subsequent lockdowns and travel restrictions. However, passenger volumes recovered in FY23 to 397,820 suggesting revived cruise demand.

Overall, this strong CAGR suggests a growing domestic cruise demand in India and is expected to be a major growth driver for the industry.

Domestic cruise passengers



Note: The above numbers are as reported by Ministry of Ports and may include both embarking and disembarking passengers
Source: Ministry of Ports, Crisil Intelligence

Improvement in port infrastructure and last-mile connectivity to promote cruise demand

The Indian government is focusing on the development of dedicated cruise terminals, modernizing ports, and enhancing last-mile connectivity to support ocean cruise tourism through schemes like Cruise Bharat Mission, Amrit Kal Vision 2047, etc. Under Cruise Bharat Mission, the government will modernise existing cruise terminals, marinas, and destinations as well as concentrate on developing new cruise terminals, marinas, and destinations to enhance the potential of cruise circuits. This will enable growth of cruise tourism in India through improving port infrastructure and enhancing last mile connectivity.

Furthermore, as discussed, the Ministry of Tourism also provides financial assistance to the State Governments/UT Administrations and Central Government Agencies for development of tourism including Cruise Tourism and Cruising along rivers, under the Swadesh Darshan Scheme and scheme for 'Assistance to Central Agencies for Tourism Infrastructure development'. The details of some key projects sanctioned for infrastructure development at Ports and Waterways under the scheme of Assistance to Central Agencies are mentioned in the table below:

Sustained demand for premium and luxury travel - a proxy for premium cruise industry's target customer demand in India

The premium-hotels segment (Crisil has included heritage hotels in the premium hotel segment for this assessment) grew at 9.0-10.0% CAGR between FY17-24, driven by economic growth, an uptick in business travel from large corporates, growth of foreign tourist arrivals in India, and evolving consumer preferences. Moving forward, Crisil estimates demand for premium hotels will grow at 7-8% CAGR over FY24-29 on account of an uptick in leisure travel, social events, MICE, corporate travel, and domestic and foreign tourism.

This sustained demand of premium hotel segment, coupled with exposure to global lifestyles, growing preference of wellness travel, experiential travel and curated experiences serves as a direct proxy for the future demand of premium cruise experience in India and can positively influence growth of premium cruise industry in India.

Growing high income and middle-income group to increase target customer base of luxury and premium cruising

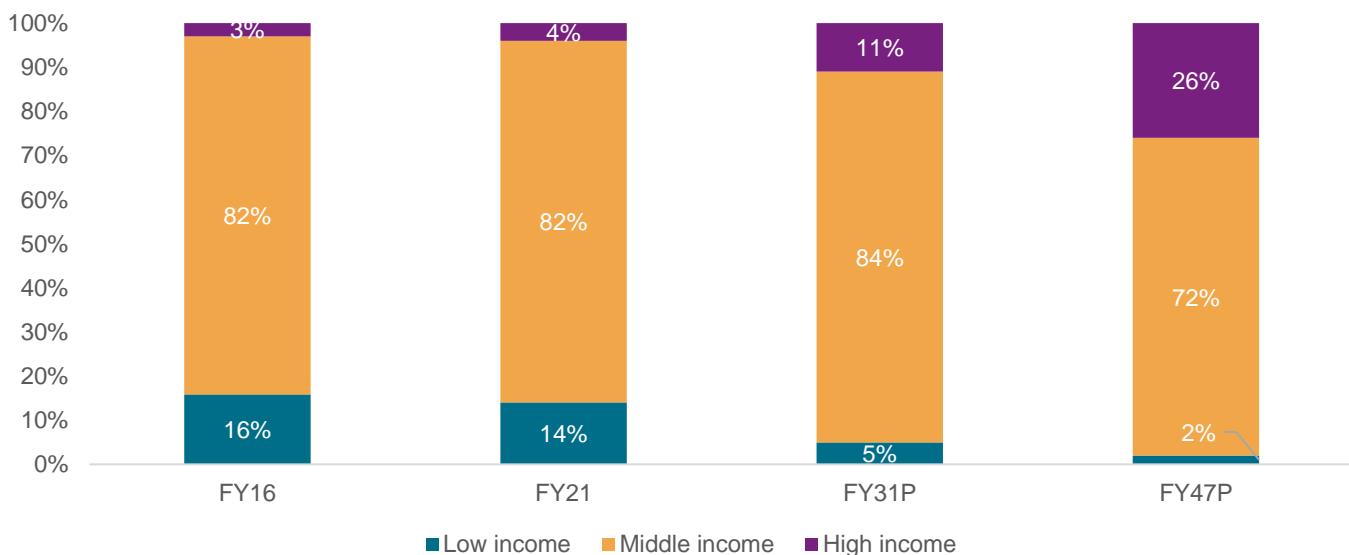
The rising disposable income of travelers, coupled with a growing appetite for premium experiences, is driving demand for high-end ocean cruises. Affluent travelers increasingly seek luxurious, all-inclusive experiences that provide premium hospitality, personalized services, and exclusive amenities. Hence, cruise liners are entering into this segment through upscale ocean cruises to cater to this demand by offering premium accommodation including private suites with ocean views, personal butler services, and VIP lounges.

Additionally, the demand for exclusive upscale experiences, like corporate retreats, destination weddings, etc. is also influencing the demand for premium and luxury ocean cruises.

As per People Research on India's Consumer Economy (ICE) 360° survey, the proportion of high-income group in India (defined as those earning more than Rs 3 million per annum) increased from 3% in FY16 to 4% in FY21.

Moving forward, this share is expected to reach ~11% and ~26% by FY31 and FY47 respectively, supported by growth in per capita income. This increasing base of high-income people is expected to positively impact demand of premium cruise experience in India.

Income-based split of the population, India



P – projections

Note: Low-income group comprises those earning less than Rs 125,000 per annum, middle-income group comprises those earning between Rs 125,000 and Rs 3 million per annum, and high-income group comprises those earning more than Rs 3 million per annum. Percent figures are rounded off

Source: People Research on India's Consumer Economy (ICE) 360° survey, Crisil Intelligence

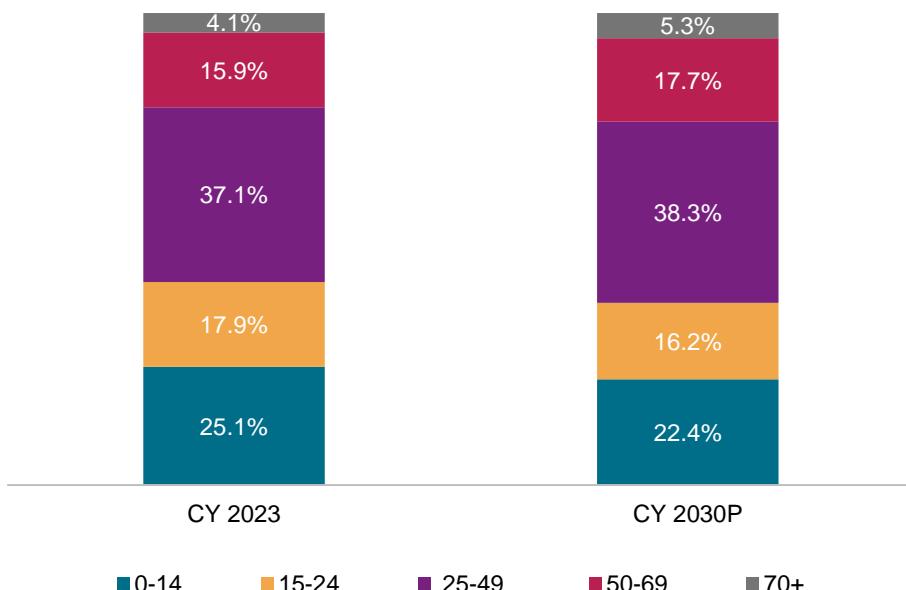
Changing customer preferences coupled with large young and working population expected to boost demand of experiential cruise travel

Modern travellers, especially young population, are shifting away from traditional vacations and are seeking immersive, experience-driven travel. For example, millennials and families, are looking for cruises that offer adventure activities, interactive workshops, and family-friendly experiences. Hence, multiple ocean cruises are catering to these preferences by incorporating onboard interactive workshops, adventure-based activities, themed experiences, and family-friendly entertainment.

Furthermore, there is a growing demand of on-board wellness experiences, which include spa treatments, fitness centres, fitness classes/ programs, healthy menu options, yoga, wellness guide, etc. Health-conscious travellers are drawn to cruises that emphasize wellness while offering access to luxury wellness amenities. Moreover, there has been a growing demand for expedition cruises focused on exploring remote and exotic locations like Antarctica, Galápagos, Alaska, etc.

These evolving customer demands coupled with large base of young and working age population of India not only helps cruise liners in offering an immersive experience to their travellers but also opens new avenue streams for them as cruise liners can attract niche travellers willing to pay a premium for unique experiences including expedition travel, exclusive excursion tours, gourmet dining experience, and premium onboard entertainment options.

Indian population by age group (both genders)



Note: P: Projected

Population is the above chart as of 1st January

Source: UN Department of Economic and Social Affairs, World Population Prospects 2024, Crisil Intelligence

Demand for onboard entertainment and curated experiences to diverse revenue streams of cruise liners

Entertainment plays a critical role in ocean cruises, with passengers expecting a wide variety of onboard experiences including live performances, Bollywood-style shows, theatrical productions, disco nights, themed parties, etc. to remain engaged throughout their journey.

In addition to entertainment, curated experiences tailored to different demographics are becoming increasingly important-adventure-based activities such as rock climbing, etc for adventure seeking passengers; fine dining events, casinos, spa treatments for upscale travellers; on board wellness experiences like wellness guides, fitness classes, etc for health-conscious travellers; interactive kids' workshop for family friendly experiences.

These entertainment events and curated experiences not only enhance overall passenger engagement but also helps cruise operators in diversifying their revenue streams through ticketed events, VIP experiences, exclusive lounges, paid shows, etc.

Key challenges in domestic overnight ocean and coastal cruise industry

Challenges	Description
Capital intensive industry	The domestic overnight ocean and coastal cruise industry is a capital-intensive sector, requiring significant investments in infrastructure, vessels, and technology. The high upfront costs of establishing and operating a cruise competition and innovation in the industry. Additionally, the need for regular maintenance and upgrades to meet evolving regulatory and customer demands can further strain resources, making it challenging for operators
Regulatory requirements	Regulatory requirements, including visa protocols, port access, and other compliance measures, can pose challenge to the growth of the domestic overnight ocean and coastal cruise industry. Complex and time-consuming visa requirements, limited port access, and stringent customs and immigration procedures can deter can negatively impact cruise passenger volumes. Moreover, varying regulatory requirements across different ports and countries can further increase challenges for cruise operators to plan and execute itineraries.
Tax regulations	The country's current GST rate and structure may prove to be an impediment in growth of the cruise tourism industry in India as compared to international benchmarks. Additionally, the tax structure including GST, TCS and Customs duties is an urgent area to be addressed to enhance cruise tourism in a holistic manner. However, the government has notified tax relaxations to promote cruise industry in India, which is expected to ease tax regulations on Indian cruising industry.
Lack of integration among various governing bodies	There is a need for integration and coordination between various government bodies at central & state level which is imperative to facilitate ease of doing business for cruise tourism. A national coordination body is required to address the same. However, a Task Force on Cruise Tourism has been formed jointly by the Ministry of Tourism and Ministry of Shipping with representatives of all major ports and stakeholders for coordinated efforts to create an enabling ecosystem for the development of Cruise Tourism in India.
Lack of infrastructure	Currently in India, there are six operational cruise ports. However, Ports with Cruise Terminals for large cruise ships, jetties / wharfs / quays / marinas for smaller cruise ships and yachts operating in shallower waters needs development. This underdevelopment of key cruise infrastructure hampers the overall development of the industry.
Limited skilled professionals	Successful cruising operations require skilled professionals to ensure smooth and safe operations of cruises. However, limited number of skilled professionals pose a significant challenge for the cruising industry.

Challenges	Description
Seasonal and weather constraints	Weather and seasonal constraints further impact cruise operations of domestic cruise operators. For example, during monsoon season, the rough seas limit the operational window of the cruises. Additionally, any drastic change in weather conditions can disrupt cruise schedules and increase the risk associated with sea travel, which can adversely impact revenue of cruise operators. However, cruise operators may explore complimentary sea routes limiting loss of revenue. For example, in India during monsoon on west coast, domestic cruise operators sail/ operate from east coast to ensure revenue inflow.
Environment and sustainability concerns	Growing environment and sustainability concerns pose a challenge for cruising industry. Cruise activities near ecologically sensitive regions can damage the fragile ecological balance of these locations and contribute to marine pollution. Hence, there has been a growing regulatory focus on environmental aspects like emissions, waste management, etc. which can increase the operating costs of cruise liners.
Piracy concerns	Piracy, particularly in the Indian Ocean, poses a significant threat to maritime security and can disrupt cruise operations by causing delays, rerouting, or cancellations. This, in turn, can negatively impact the itineraries of cruise operators operating in the particular areas.

Source: Crisil Intelligence

2.5 Key success factors for overnight ocean and coastal cruise operators

Success factor	Description
All-inclusive offerings	<ul style="list-style-type: none"> Providing all-inclusive packages that bundle accommodation, dining, beverages as well as entertainment can enhance overall guest experience. These packages eliminate the hassle of additional payments making the cruise experience seamless and luxurious, especially for first time cruise travelers. Furthermore, offering tiered pricing structures allows both budget-conscious and luxury travelers to find a suitable option ensuring wide accessibility and higher occupancy rates of the cruises. Thereby positively impacting the revenue of the company.
Variety of onboard leisure/ entertainment activities	<ul style="list-style-type: none"> A diverse range of entertainment options is crucial for keeping guests engaged throughout their voyage. Cruise lines that offer multiple onboard entertainment options like live performances, theatre performances, casinos, etc. are often preferred by travellers. Additionally, many cruise operators curate leisure experiences tailored to a wide range of passenger preferences- for adventure enthusiast, activities such as rock climbing or water sports provide excitement, while upscale travelers can enjoy casinos and fine dining experience. Family friendly cruises often include interactive shops or child-friendly entertainment to cater to younger passengers and their families. By offering a well-rounded selection of entertainment and leisure options cruise operators can enhance guest satisfaction and create a more enjoyable experience.
Digital integration in guest service	<ul style="list-style-type: none"> Digital integration in guest service elevates the overall travel experience. Hence, it is imperative that cruise liners should leverage technology to enhance guest experiences as well as streamline operations. Many cruise liners are offering complimentary Wi-Fi services, thereby allowing guests to stay connected. Additionally, cruise liners are also leveraging digital marketing tools for personalised marketing campaigns, which optimises their conversion rates.
Inclusion of local offerings/ itineraries	<ul style="list-style-type: none"> One of the key success factors for cruise operators is offering experiences that resonate with their target audience.

Success factor	Description
	<ul style="list-style-type: none"> For example, in India, curating food options that cater to Indian taste preferences, including regional cuisines, vegetarian and Jain meal options, etc. will be a key success factor for the successful cruising experience. Similarly, entertainment offerings should align with local cultural interests, such as Bollywood-themed nights, Indian music concerts, etc. Hence, by catering to the cultural preferences of Indian travellers, cruise operators can strengthen brand loyalty and position themselves as the preferred choice for domestic ocean cruising
Compliance to regulatory procedures	<ul style="list-style-type: none"> Adhering to regulatory requirements is a critical success factor for the cruise operators. Cruise operators must comply with all the required national and international maritime laws (as applicable), safety protocols, ports guidelines, etc. This not only ensures passengers safety but also helps in ensuring a smooth and comfortable travelling experience.

Source: Crisil Intelligence

2.6 SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> A long coastline that can cater to international and domestic cruise liners Growing middle class with increasing disposable income expected to boost demand for cruise tourism Indian government has been promoting cruise tourism, with initiatives such as the development of cruise terminals, relaxation of regulations, and tax incentives, etc. which positively impact cruise sector in India 	<ul style="list-style-type: none"> Cruise vacations are still a niche segment in India due to limited consumer awareness and itineraries Developing cruise infrastructure including cruise terminals and supporting infrastructure which might hamper the overall growth of the sector Regulatory framework and tax structure for the cruise industry in India like country's current GST rate may prove to be an impediment Limited number of skilled professionals pose a significant challenge for the cruising industry Cruise operations have high capex requirements that can negatively impact the overall margins of the companies operating in this segment
Opportunities	Threats
<ul style="list-style-type: none"> Currently, cruise industry in India is at very nascent state i.e. it is a greenfield industry, due to which it offers strong potential for cruise tourism Investment in infrastructure, such as cruise terminals, marinas, and docking facilities, by the government India can benefit from the increasing demand of global cruise tourism Growing trends including women led travel, premiumization and experiential travel are expected to influence demand of cruise tourism in India The domestic cruise industry is estimated to register significant growth of 35-40% CAGR (FY25-30) driven by rising awareness, increasing number of domestic tourists seeking luxury vacations, a growing middle class with disposable income, a rising interest in international travel, improved domestic cruise accessibility, and favorable government support. 	<ul style="list-style-type: none"> Changes in regulations, such as taxation or visa policies, especially for international itineraries can impact the profitability and growth of the industry Alternative vacation options like air travel, resorts, hotels, etc. have better awareness levels and offer supporting infrastructure and extensive options, which can limit growth of cruise tourism. Competition from other Asian countries like Singapore, Thailand, etc that have more developed cruise ecosystems

Source: Crisil Intelligence

2.7 Porter's five forces analysis of Indian overnight ocean and coastal cruise industry

Porter's five forces	Description
 Threat of new entrants: Moderate	<ul style="list-style-type: none"> The Indian Ocean cruise industry is still in a nascent stage, which offers multiple opportunities to both domestic and international cruise liners to operate in this industry. Furthermore, government initiatives like Sagarmala, Cruise Bharat Mission, etc is also expected to improve the port infrastructure, which in turn will further influence the demand of cruise industry. However, high capex and regulatory requirements (visa protocols, port access, etc) for the industry required for acquisition of cruise ships, regular maintenance, etc creates significant entry barriers for this industry. Hence, the threat of new entrants in this industry is moderate. Additionally, due to the nascent stage of the industry, early cruise entrants would be playing a role in shaping the domestic cruise category in India
 Power of customers: Moderate	<ul style="list-style-type: none"> Limited cruise options in India reduces the bargaining power of the customers but availability of the other vacation/ travel options like air travel, resorts, etc. provide customers alternative options However, providing customized onboard experiences including Indian cuisine, Bollywood entertainment, etc. can help cruise operators differentiate and attract new customers.
 Power of suppliers: Moderate	<ul style="list-style-type: none"> Cruise operators have to rely on multiple stakeholders like ship manufacturers, fuel suppliers and F&B vendors, which limits the negotiating power of cruise operators. However, cruise liners usually enter into long-term contracts with these external stakeholders, which helps in mitigating the suppliers' bargaining power to some extent. Due to this aspect, key corporate relationships in fleet acquisition and fleet leasing are a key differentiator in the industry
 Competitive rivalry: Low	<ul style="list-style-type: none"> In India, there is only one domestic ocean cruise operator with its premium cruise line – Cordelia Cruises. However, multiple international cruises include India in their itineraries, which attract Indian travelers seeking international experience. Though not direct competition, these international cruises indirectly contribute to industry rivalry by reducing the potential customer base for domestic operators. Furthermore, global cruise operators can enter Indian cruise industry in future seeing the potential of the Indian cruise industry and favorable factors like increased government initiatives, improvement in port infrastructure, and growing awareness of cruising. This in turn can escalate competitive rivalry of this industry.
 Threat of substitutes: Moderate	<ul style="list-style-type: none"> Other vacation and leisure travel options like air travel, luxury trains (for example Deccan Odyssey, Maharajas' Express etc.), high-end resorts, international vacations, etc. serve as alternatives for the cruising industry by providing upscale experiences. Additionally, domestic river cruises (Brahmaputra cruises, Ganga cruises, etc.) also provide alternatives to ocean cruise passengers. However, domestic ocean cruise operators can differentiate themselves by providing immersive experience to their passengers through exclusive itineraries, personalized onboard offerings with strong Indian cultural influences (like Jain food, Bollywood themed entertainment options, etc.) and curated shore excursions; thereby limiting the threat of substitutes

Source: Crisil Intelligence

3 Assessment of hospitality industry

3.1 Global tourism industry

Margins of global hotels, resorts and cruise lines is estimated to have improved in 2023

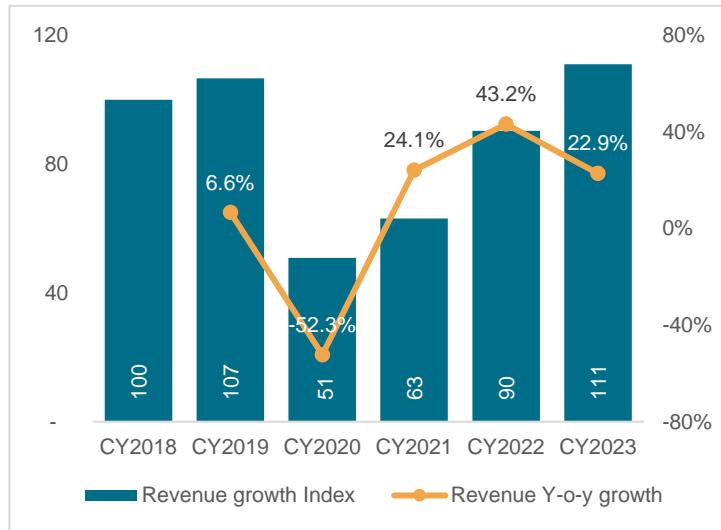
Overall revenue of global hotels, resorts and cruise lines is estimated to have grown by 22.9% in 2023, compared to 43.2% in 2022. In 2020, industry experienced a severe downturn with revenue growth contracting by -52.3% and net profit margins plummeting to -38.3% due to the outbreak of COVID-19 and subsequent travel restrictions, lockdowns and a drastic decline in consumer demand.

By 2021 there were signs of recovery due to the gradual opening of the economy with the revenue growth of the sector expanding by 24.1%. However, the net profit margins remained negative at -13.9% due to travel restrictions, low occupancy rates, limited consumer demand and business travel. However, in 2022 the industry witnessed a strong resurgence with revenue growth of 43.2% and positive net profit margins of 0.2%. This rebound was majorly driven by the overall opening of the economy, mass covid vaccinations, revenge travel, growth in international tourism and increased consumer spending on travel experiences.

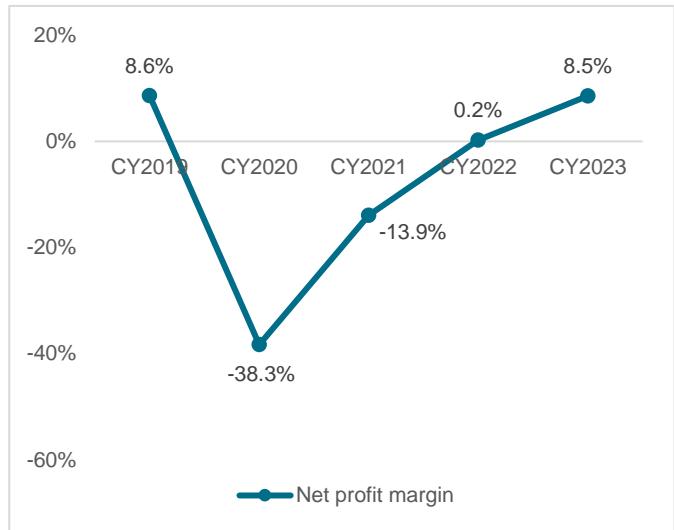
In 2023, the industry experienced a full recovery, achieving a y-o-y revenue growth of 22.9% driven by improved occupancy rates and higher average daily rates on account of revived travel demand from both business and consumer segments. Consequently, net profit margins improved to 8.5%, reflecting better profitability.

Revenue trend of global hotels, resorts and cruise lines companies

Revenue index and revenue growth trends



Net profit margin trends



Note:

The above analysis is based on top 200 companies within the global hotels, resorts and cruise lines industry basis CY2023 revenue. These 200 companies account for ~98% of the aggregate revenue in CY2023, against a total of available 542 companies.

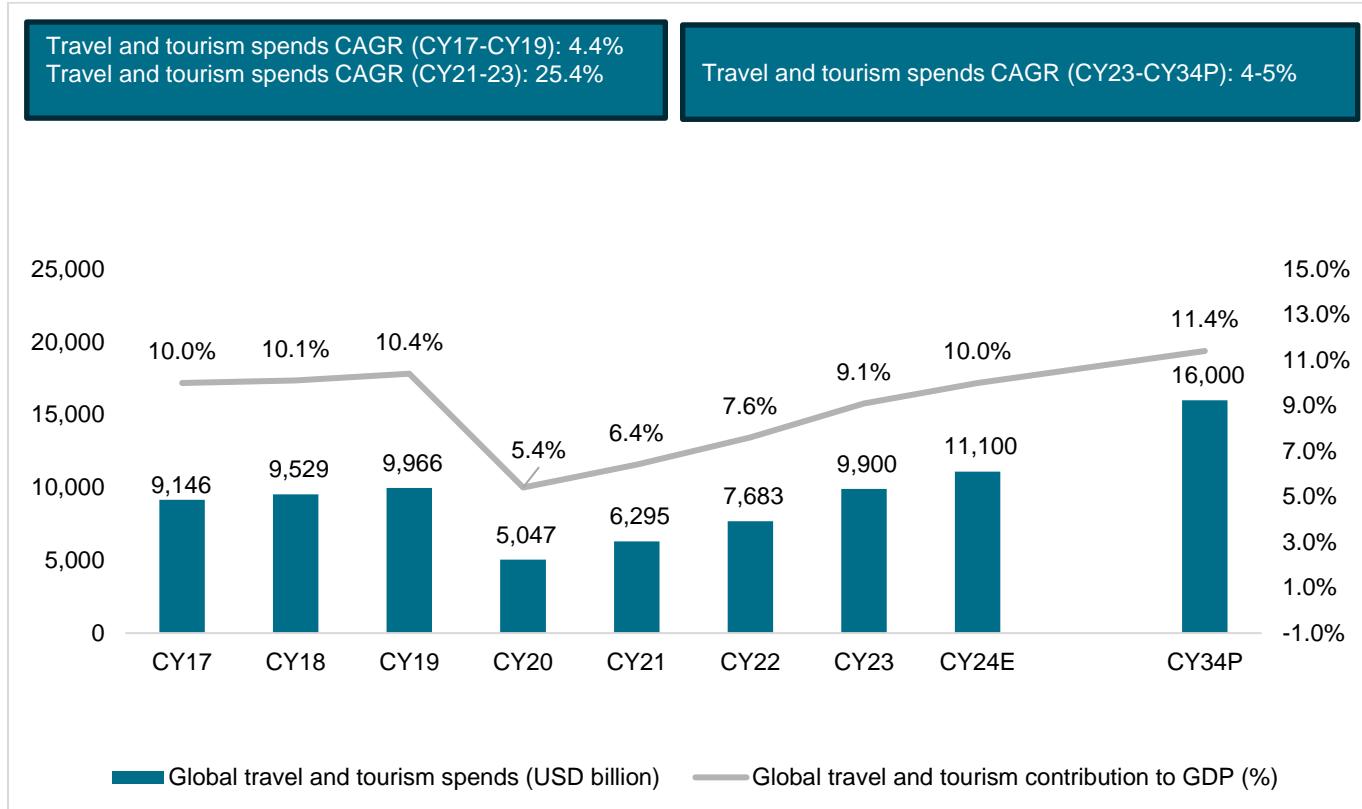
The absolute numbers provided are rounded off and hence the percentage growth may not match based on the rounded off numbers

Source: S&P, Crisil Intelligence

Travel and tourism spends' contribution to global GDP expected to reach 11.4% by 2034

As per data from the World Travel & Tourism Council (WTTC), global travel and tourism spend outpaced global GDP growth between CY17 and CY19 with increasing contribution to global GDP each year. However, the travel and tourism sector was one of the most affected during the COVID-19 pandemic and its contribution to global GDP declined to 5.4% in CY20. It has made a strong recovery since then and is expected to surpass pre-COVID-19 levels of 10.4% in the next two years and contribute 11.4% to global GDP by CY34 as per WTTC forecasts.

Travel and tourism sector's contribution to global GDP and trend in spends



Note: E - Estimated, P - Projected

GDP growth included in the chart above is real GDP growth and not nominal GDP growth, historic global GDP growth as per IMF data, CY23-CY34 global GDP growth as per WTTC data. Contribution of travel and tourism spends to global GDP as per WTTC data and not IMF, travel and tourism figures are as per constant 2023 prices and exchange rates (CY19 onwards).

Source: WTTC Economic Impact 2023 and 2024, IMF economic database, Crisil Intelligence

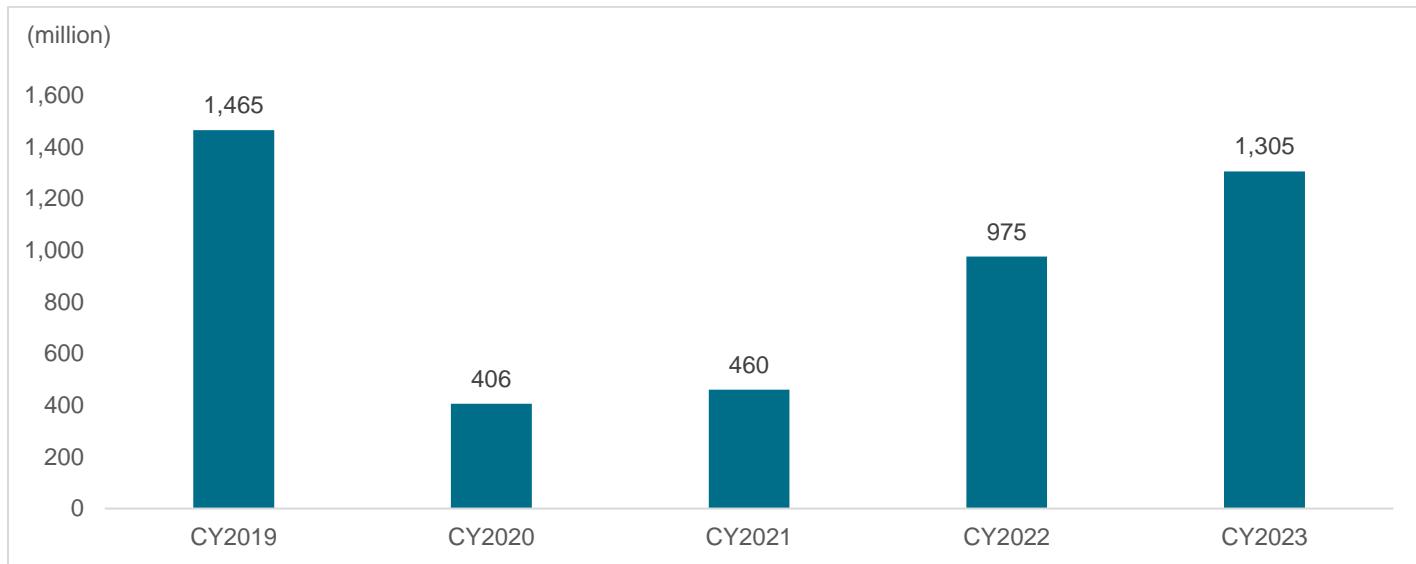
International tourist arrivals stood at 1,305 million in 2023

International tourist arrivals (overnight visitors) plunged 72% to 400 million in 2020, from nearly 1.5 billion in 2019, making 2020 the worst year on record. However, international travel started to rebound in the second half of 2021 thanks to the rollout of the coronavirus vaccine and the easing of entry restrictions in many destinations. However, arrivals remained 69% below 2019 levels that year. Increased cross-border coordination and safety protocols helped restore traveller confidence, but the pace of recovery remained slow and uneven across regions due to varying degrees of mobility restrictions, vaccination rates and travel demand.

The recovery accelerated in 2022 despite the emergence of the Omicron variant of the virus in late 2021 and the Russian invasion of Ukraine in February 2022, as well as a challenging economic environment, especially high inflation.

Over 970 million tourists travelled internationally in 2022, double those in 2021 but still 33% fewer than in 2019 (~67% of the pre-pandemic total). International travel continued rebounding strongly to reach 1.3 billion arrivals in 2023, equivalent to 89% of pre-pandemic levels, up from 67% in 2022. The recovery was driven by large pent-up demand and the re-opening of several Asian markets and destinations which previously remained closed, as well increased connectivity and visa facilitation. Demand was supported by resilient economic activity, despite rising interest rates and fairly high inflation in many parts of the world.

International tourist arrivals

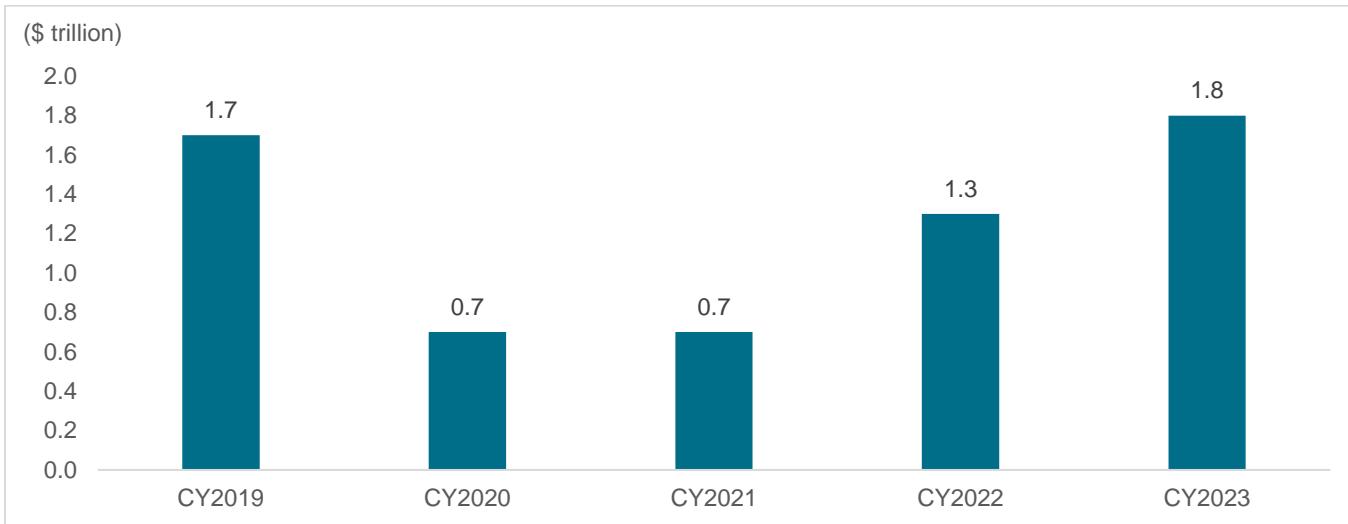


Source: UN Tourism, Crisil Intelligence

Export revenues from tourism reached 99% pre-pandemic levels to hit USD 1.8 trillion

International tourism contributes to local economies in the form of export revenues comprising international tourism receipts (visitor spending in destinations) and passenger transport receipts (international transport services rendered to visitors by local transport companies). For many destinations (United States of America, Spain, United Kingdom, France and Italy were the top five countries in terms of international tourism receipts in 2023), revenues from tourism are a major source of foreign exchange and an important component of export diversification. In 2023, total export revenues from tourism, which includes USD 1.5 trillion in receipts and USD 270 billion in passenger transport fares, reached USD 1.8 trillion in 2023, exceeding the pre-pandemic value of USD 1.7 trillion, and 99% of that value in real terms (-1% versus 2019).

Export revenues from international tourism (USD trillions)



Note: Revenues consist of international tourism receipts and passenger transport fares.

Source: UN Tourism, Crisil Intelligence

France remained the world's most visited country in 2023

France remained the world's most visited destination in 2023 with 100 million international tourist arrivals. Spain was second with 85 million, the United States third (66 million), Italy fourth (57 million) and Türkiye fifth with 55 million international tourists. Completing the top ten destinations in 2023 are Mexico, the United Kingdom, Germany, Greece and Austria. Compared to before the pandemic, Italy, Türkiye, Mexico, Germany and Austria all moved up one place, while the United Kingdom rose three, from 10th to 7th and Greece four, from 13th to 9th.

U.S. retains first rank in global travel & tourism Market, India stood at eighth rank

As per 2024 Economic Impact Trends Report, the U.S. was ranked first with its travel & tourism market contributing a \$ 2.4 trillion to the nation's economy in 2023. China's travel and tourism market stood second with a GDP contribution of \$1.3 trillion in 2023. Germany secured the third spot with a \$ 487.6 billion economic contribution, while Japan, which in 2022 was in 5th place, jumped up to 4th position, contributing \$ 297 billion.

The United Kingdom completes the top five contributing \$ 295.2 billion. France retained its sixth position with a contribution of \$264.7 billion, followed closely by Mexico at \$ 261.6 billion, showcasing its continued appeal as a major tourist destination.

India came in eighth, rising from a previous 10th position, with \$231.6 billion, marking a notable improvement and highlighting its growing influence in the sector. Italy and Spain complete the top 10, contributing \$ 231.3 billion and \$ 227.9 billion, respectively.

However, over the next decade, WTTC predicts China will become the biggest Travel & Tourism market with India moving up to 4th position.

Top 10 travel & tourism market (As per 2024 Economic Impact Trends report)

Rank	Country/Region	Travel & Tourism market Contribution (\$ billion)
1	USA	2,360
2	China	1,300
3	Germany	488
4	Japan	297
5	U.K.	295
6	France	265
7	Mexico	262
8	India	232
9	Italy	231
10	Spain	228

Source: WTTC, Crisil Intelligence

3.2 Growth in India hotels and travel and tourism

Classification and hotel concepts (India)

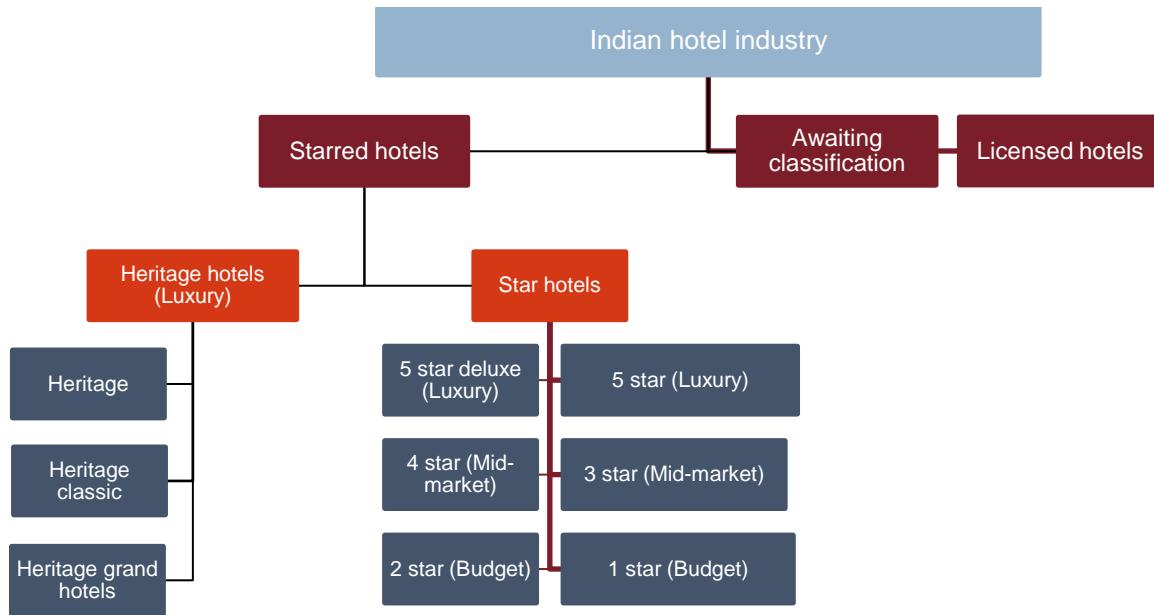
Hotels in India can be broadly classified based on:

- Star rating
- Location
- Level of service
- Theme

Hotels can be classified into luxury/premium, mid-market and budget category hotels

The Ministry of Tourism (MoT) classifies hotels in India based on star ratings as heritage hotels, five-star deluxe, five-star, four-star, three-star, two-star, and one-star. As per Crisil's categorisation, luxury/premium hotels are those with a rating of five stars, five-star deluxe, and heritage hotels; mid-market hotels are those with three- and four-star ratings; and budget hotels are those with two and one star. Non-starred hotels include those awaiting classification by the MoT (i.e., hotels approved by the ministry, but not classified under any star category yet) and those that have not applied for any classification (i.e., they have received a licence from the requisite authorities but chose not to be classified under any star category).

Classification of hotels based on star ratings



Source: Crisil Intelligence

Brands such as the IHCL, ITC Ltd, Marriott International, Accor etc. operate across categories, eyeing a larger pie of the Indian hospitality industry.

3.3 Market size of the organised and branded hotel industry in India

Organised and branded hotel industry to grow at 7.5-8.5% CAGR from fiscals 2024-2029

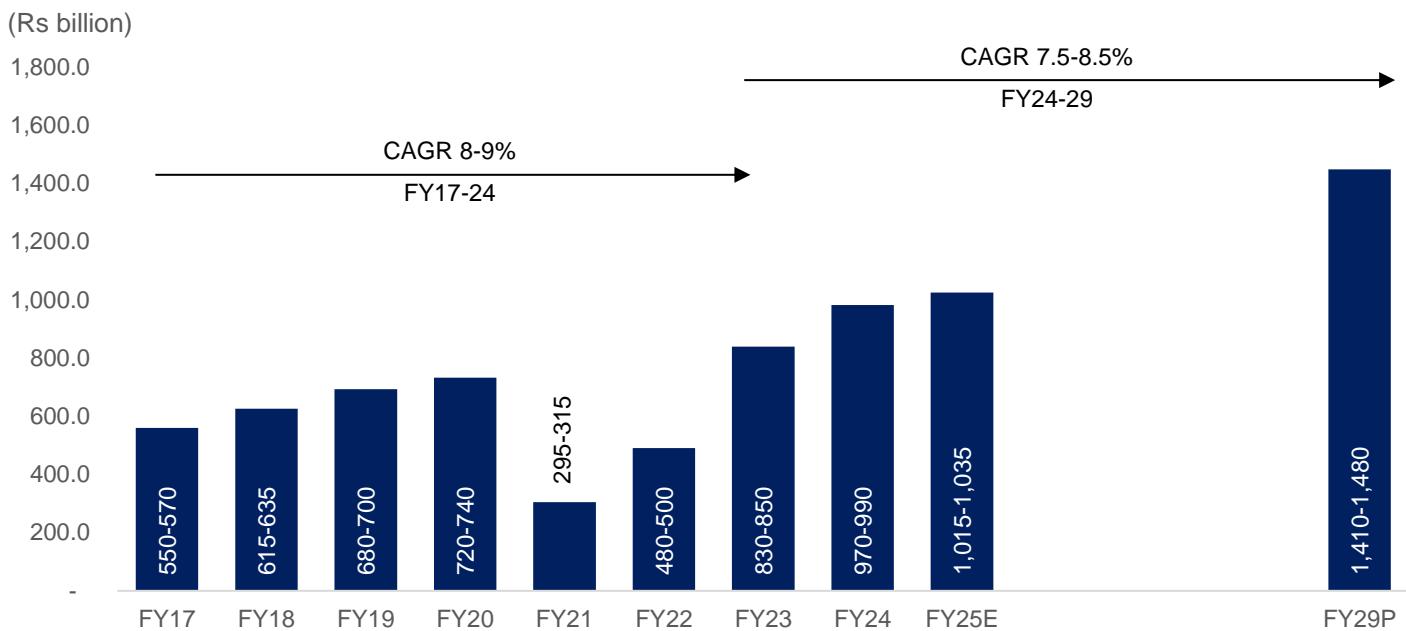
As per Crisil, the market size of the organised Indian hotel industry (includes premium, mid-market and budget hotels, but excludes other budget accommodation such as apartments, villas, hostels and lodges) was ~Rs 970-990 billion in fiscal 2024.

The industry has faced several challenges in the past, including a decline in demand after the 2008 global financial crisis, which led to oversupply and stress on hoteliers' balance sheets. Although there was a brief recovery, the 2019 general elections and a sluggish economy slowed down the growth. The industry was then severely affected by the pandemic, which led to lockdowns, border closures, and a sharp decline in demand.

However, with the economy recovering, the hotel industry has grown at 8.0-9.0% CAGR over fiscals 2017-24, tackling the market contraction due to the pandemic.

Moving forward, the overall organised hotel industry is expected to grow at 7.5-8.5% CAGR from fiscal 2024-29 to reach ~Rs 1,410-1,480 billion by fiscal 2029, on account of growing demand from corporate travel, leisure travels, MICE and social events.

Organised and branded hotel industry in India (Rs billion)



Note: E: Estimated; P: Projected

Source: Crisil Intelligence

Premium-hotel demand to clock 7-8% CAGR between fiscals 2024 and 2029

Over fiscals 2017-24, budget and mid-market hotels witnessed growth on account of better occupancy rates despite rising room inventories. The improving economic scenario and rising incomes led to a rise in the number of domestic travellers visiting various states and union territories (UTs) in India and increasing awareness about Indian tourist destinations further helped growth. Moreover, as OTAs and aggregators gained popularity, the visibility, especially for budget and mid-market hotels, increased. Competitive prices for hotel rooms offered by these agencies resulted in improved occupancy rates in these segments. These factors have led to the budget and mid-market segment growing at 6.0-7.0% CAGR between fiscals 2017-24.

Similarly, the premium-hotels segment (Crisil has included heritage hotels in the premium hotel segment for this assessment) grew at 9.0-10.0% CAGR over the period, driven by economic growth, an uptick in business travel from large corporates, and growth of foreign tourist arrivals in India.

Moving forward, Crisil estimates demand for premium hotels will grow at 7-8% CAGR over fiscals 2024-29. Growth in this segment is expected on account of an uptick in leisure travel, social events, MICE, corporate travel, and domestic and foreign tourism. Premium hotels in popular or niche tourist destinations are also being looked at as venues for destination weddings, thereby addressing seasonality in demand. During the period, budget and mid-market hotels are expected to grow at 8-9% CAGR on account of improving demand from tier 2 and 3 cities, growing mid income travellers, and growing corporate travel, especially from SMEs, which prefer mid-market hotels

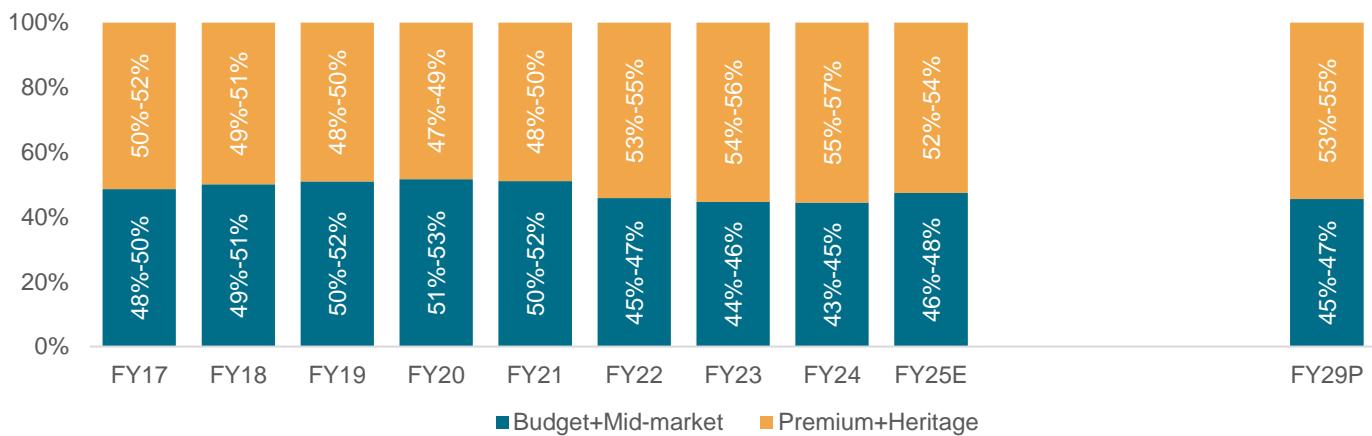
Segment-wise share of organised and branded hotel industry in India (%)

CAGR (FY17-24):

Premium hotels: 9-10%; Mid-market and budget hotels: 6-7%

CAGR (FY24-29):

Premium hotels: 7-8%; Mid-market and budget hotels: 8-9%



Note: E: Estimated; P: Projected

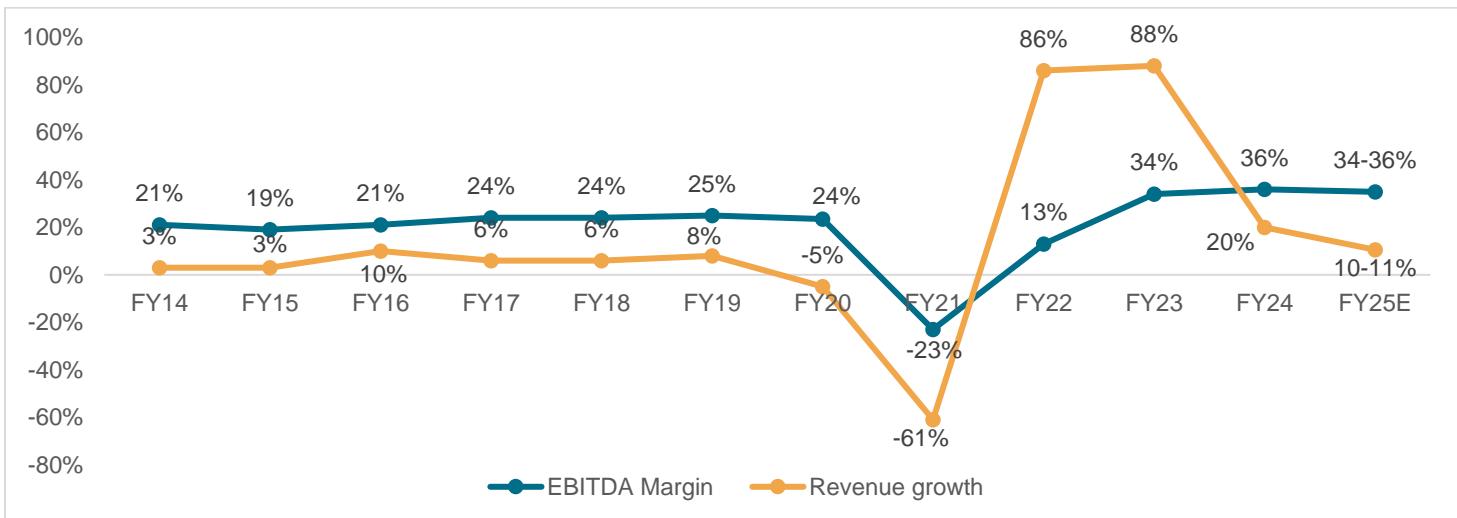
Source: Crisil Intelligence

Revenue growth momentum for hotel players is expected to have continued in fiscal 2025

Fiscal 2022 and 2023 saw a strong y-o-y revenue growth of listed set at 86% and 88% respectively, post a decline of 5% and 61% in fiscal 2020 and 2021 respectively due to Covid- 19 pandemic and subsequent travel restrictions. Multiple factors including improved demand from MICE and leisure segment due to negligible covid cases contributed to better ARR and occupancies rates. This in turn contributed to the overall revenue growth of the players.

In fiscal 2024, revenue grew by 20% over a high base of fiscal 2023, while margins improved to ~36% due to cost rationalization efforts. This positive momentum is expected to continue in fiscal 2025, with projected revenue growth of 10 to 11% and margins stabilizing at 34-36%

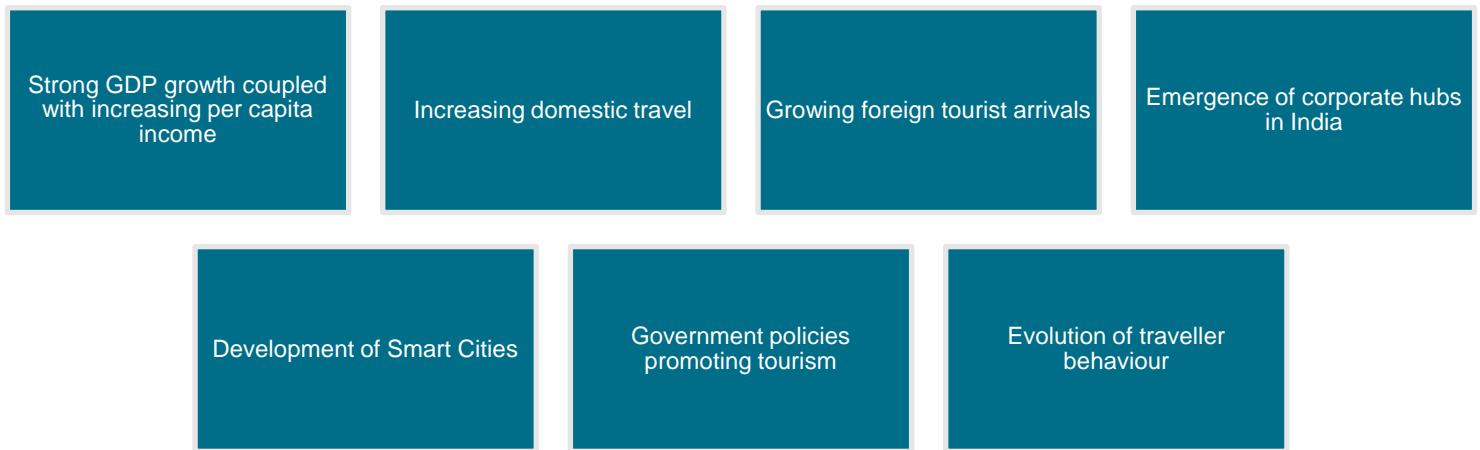
Revenue and EBITDA trend



Note: Companies considered: EIH Associated Hotels Ltd, EIH Ltd, Oriental Hotels Ltd, The Indian Hotels Company Ltd, Advani Hotels & Resorts (India) Ltd, Asian Hotels (East) Ltd, Asian Hotels (North) Limited, Taj G V K Hotels and Resorts Limited
 Source: Company Reports, Crisil Intelligence

3.4 Growth drivers for the Indian hospitality industry

The Indian hospitality industry is driven by demand from foreign and domestic travellers who visit the country for leisure and business purposes. Both foreign and domestic travel demand are further driven by various factors, the major ones being captured below:



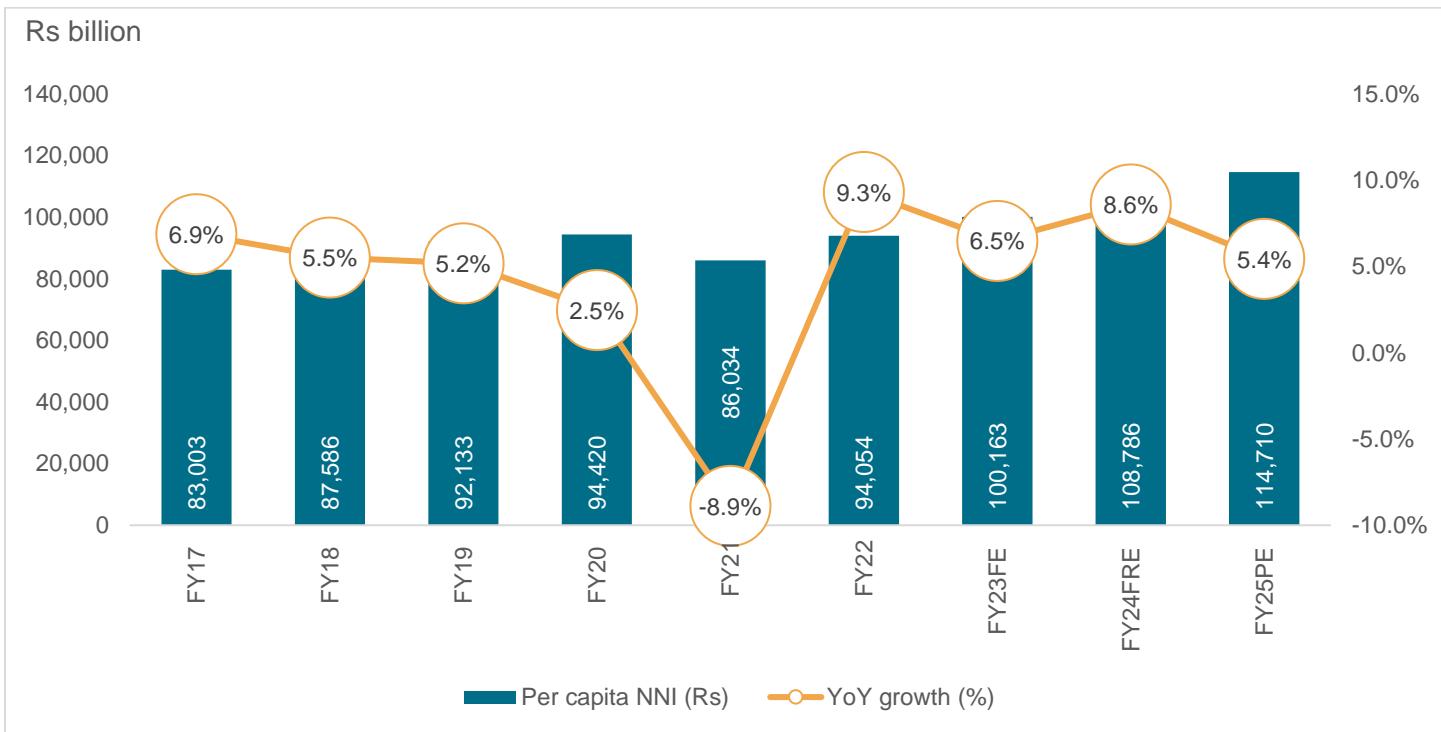
Source: Crisil Intelligence

Strong economic growth coupled with increasing per capita income

The Covid-19 pandemic had caused a temporary setback to the Indian economy in FY21, leading to a decline in NNI per capita. However, the economy rebounded in FY22, with NNI per capita rising 9.3% on-year to Rs 94,054. Furthermore, NNI per capita further increased to Rs 100,163 in FY23 and INR 108,786 in FY24.

Additionally, according to FY25PE, per capita net national income (constant prices) is estimated to have further increased to Rs. 114,710; thereby registering a year-on-year growth of 5.4%. Rising income levels along with overall economic growth, is expected to boast the hospitality industry in India

Per capita NNI



Note:

FE: Final Estimates, FRE: First Revised Estimates, PE: Provisional Estimates

Source: PIB, MoSPI, Crisil Intelligence

India's lower travel and tourism spend in comparison to global spending suggests headroom for growth

As per WTTC, travel and tourism spend indicates the direct, indirect and induced impact of sector on the economy. As a percentage of the GDP, the country's travel and tourism spend was 6.5% in CY23. It is projected to increase to 7.6% by CY34. India's travel and tourism spend is lower than the global average, indicating ample headroom for growth. Notably, China's travel and tourism spend is expected to make up 13.5% of its GDP in CY34, which is 2.1% higher than the global average of 11.4% and 5.9% higher than India's spending.

Tourism spends by top tourism and travel economies vs India (USD billion at constant prices) and contribution to GDP in 2023 and 2034P (%)

Country/Region	Total contribution to GDP* (USD billion) CY23	Total contribution to GDP* (USD billion) CY34P	Total contribution to GDP (%), CY23	Total contribution to GDP (%), CY34P
US	2,360	3,100	8.6%	9.5%
Spain	228	307	14.5%	17.0%
Japan	297	346	7.1%	7.9%
France	265	334	8.8%	9.6%
Australia	167	230	9.8%	9.9%
India	232	524	6.5%	7.6%
China	130	360	7.3%	13.5%

Country/Region	Total contribution to GDP* (USD billion) CY23	Total contribution to GDP* (USD billion) CY34P	Total contribution to GDP (%), CY23	Total contribution to GDP (%), CY34P
World	9,900	16,000	9.1%	11.4%

Note: * Total contribution to GDP indicates direct, indirect contribution and induced contribution

The direct contribution of Travel & Tourism to GDP calculated from 'internal' spending on Travel & Tourism (total spending within a particular country on Travel & Tourism by residents and non-residents for business and leisure purposes) by netting out the domestic and imported purchases made by the different tourism sectors and government 'individual' spending, spending by government on Travel & Tourism services directly linked to visitors, such as cultural (e.g. museums) or recreational (e.g. national parks).

Indirect contribution includes spending through investments, government collective spending such as tourism marketing and promotion, aviation, administration, security services and domestic purchases of goods and services by the sectors dealing directly with tourists

The induced contribution measures the GDP and jobs supported by the spending of those who are directly or indirectly employed by the Travel and Tourism industry.

All values in constant 2023 prices and exchange rates; P: Projected.

Source: WTTC, Crisil Intelligence

Changing customer preferences to increase demand of personalized and specialized services

The increasing focus on health and wellness is leading to a surge in demand for wellness and spa tourism, with travelers seeking holistic experiences. This trend is creating opportunities for hotels and resorts to offer specialized wellness programs, spa services, and healthy dining options. Additionally, the growing Indian middle class and increasing disposable incomes are driving demand for luxury and high-end segment services, with travelers seeking premium experiences, including upscale accommodations, fine dining, and personalized services.

The rise of experiential travel is another key trend driving growth in the industry, with travelers seeking unique and immersive experiences that allow them to connect with local cultures, communities, and environments. This trend is driving demand for activities such as culinary tours, adventure sports, and cultural workshops.

Overall, these shifting consumer preferences are expected to drive growth in the Indian hospitality industry and provide diversified revenue streams to the hospitality industry.

Growing Foreign Exchange Earnings (FEE) indicating increased spending by international tourists

Foreign Exchange Earnings (FEE) are receipts of the country as a result of consumption expenditure, i.e. payments made for goods and services acquired, by foreign visitors in the economy out of foreign currency brought by them.

In 2020 and 2021, FEE fell by ~57.6% and -33.6% respectively due to Covid-19 and subsequent travel restrictions.

However, FEE of India rebounded in 2022 by ~146.9% as international travel gained momentum. In 2023, FEE again witnessed an increase of ~31.4% to \$ 28.1 billion.

Additionally, as per provisional estimates of 2024, FEE of India is estimated to have increased to \$ 33.2 billion from \$ 28.1 billion in 2023, registering a y-o-y growth of ~18.2% and surpassing 2019 FEE levels.

Overall, FEE of India registered a CAGR of 5% between 2014 to 2024. This increase in FEE of India indicates growing spending by international tourists visiting India, which is expected to positively impact the overall tourism sector in India.

Foreign Exchange Earnings (FEE)- (USD million)



Note:

**: Provision estimates

Source: Ministry of Tourism, Crisil Intelligence

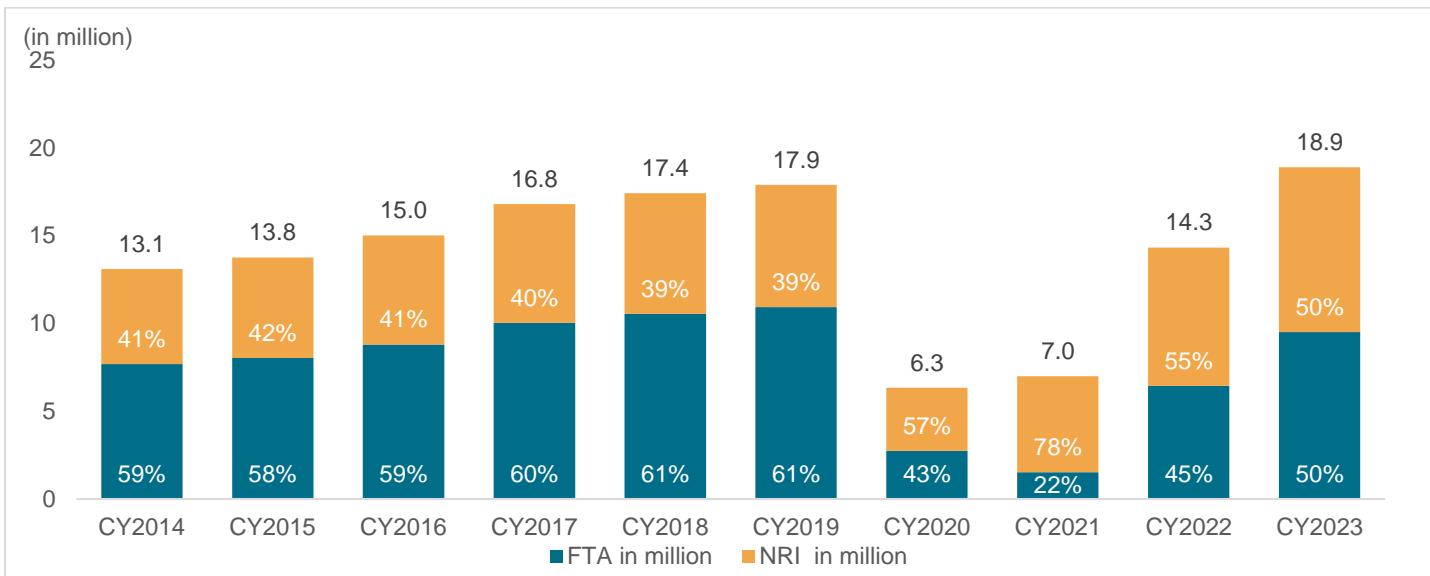
International Tourist Arrivals in 2023 increased to 18.9 million, surpassed pre Covid levels

As per the UNWTO definition, International Tourist Arrivals (ITAs) comprises two components namely Foreign Tourist Arrivals (FTAs) and Arrivals of Non-Resident Nationals.

ITA has been consistently increasing in India since 2014, baring 2020, when it witnessed a decline of ~65% on account of the Covid-19 pandemic and subsequent travel restrictions. However, as the economy opened up and travel restrictions eased, ITA increased to 7.0 and 14.3 million in 2021 and 2022 respectively. ITA recovered in 2023 to 18.9 million, compared to 14.3 million 2022, registering a y-o-y growth of ~32%, post a y-o-y increase of 100% in 2022. In 2023, NRI and FTA both formed 50% each of the total ITA, compared to 41%-59% split between NRI and FTA in 2014.

This growing influx of international travellers coupled with increasing FFE is expected to positively impact the overall hospitality industry in India.

Foreign Tourist Arrivals (FTAs), Arrivals of Non-Resident Indians (NRIs) and Internationals Tourist Arrivals (ITAs)



Source: Bureau of Immigration, Govt. of India, Ministry of Tourism, Crisil Intelligence

Favourable government policies to boast travel and tourism sector in India

India's tourism sector, rich in heritage, culture, and diversity, is emerging as a global favourite and a key driver of economic growth. Recognizing its potential for employment-led development, the Union Budget 2025-26 has allocated Rs 25.4 billion to enhance infrastructure, skill development, and travel facilitation. With committed efforts, tourism is set to drive India's progress toward becoming a developed nation by 2047.

Some of the steps to promote travel and tourism in the country are as follows:

- A major initiative includes developing 50 top tourist destinations in partnership with states through a challenge mode, ensuring world-class facilities and connectivity. This initiative aims to elevate tourism infrastructure, improve ease of travel, and strengthen connectivity to key sites. As part of this framework, states will be required to provide land for critical infrastructure, including hotels, which will be classified under the Infrastructure Harmonized Master List (HML) to attract investments and boost hospitality services.
- Furthering this commitment, 40 projects across 23 states will receive interest-free loans for 50 years, amounting to Rs 33.0 billion under the Special Assistance to States for Capital Investment. This funding will support the creation of globally recognized tourist destinations by facilitating their development and strategic marketing.
- Additionally, the Swadesh Darshan Scheme 2.0 (SD 2.0), which focuses on sustainable and responsible tourism, will continue to expand, with 34 projects already approved under this initiative, receiving Rs 7.9 billion in total funding.
- To strengthen employment opportunities in the tourism sector, Government has allocated Rs 0.6 billion for skill development in the financial year 2025-26. This funding will support intensive skill-development programs for youth, including training in hospitality management and other tourism-related services.
- Development of tourism infrastructure via schemes such as Swadesh Darshan, Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive (PRASHAD), Adopt a Heritage, and Special Tourism Zones (STZ). These

are focused on improving overall tourism infrastructure in the country and bringing it on par with international standards, which will help attract both domestic and foreign tourists

- Facilitative visa regime is a pre-requisite for increasing inbound tourism. The MoT engages with the Ministry of Home Affairs and Ministry of External Affairs to achieve this. As Ministry of tourism fiscal 2024 annual report, e-visa facility is available for 167 countries for entry through 31 designated international airports and “06 major seaports”.
- RCS-UDAN was introduced with the main objective of facilitating regional air connectivity by making air travel affordable. Towards this end, the central government, state governments and airport operators offer concessions to reduce the cost of operations of airlines and financial support to meet gaps, if any, between the cost of operations and expected revenue on such routes. Under the RCS-UDAN-3, 46 tourism routes got air connectivity. These included iconic sites, of which eight routes have been operationalised to date. This is expected to have a cascading effect on the hospitality industry.

The government has also taken the following steps to support the hospitality sector:

- The Goods and Services Tax (GST) Council announced a cut in tax rate on hotel room tariffs, a move aimed at giving a boost to the hospitality sector. The GST rate on hotel rooms with tariffs of up to Rs 7,500 per night has been cut to 12% from the existing 18%. Similarly, tax on rooms tariff above Rs 7,500 has been slashed to 18% from the existing 28%. There will be no GST on room tariffs below Rs 1,000 per night. GST on restaurants and eateries has been brought down to 5%, irrespective of whether they are air-conditioned or not.

Furthermore, the Government of India has taken various initiatives to promote domestic tourism, such as Dekho Apna Desh, PRASHAD, Vibrant Village Programme, SWADESH 2.0, and Regional Connectivity Scheme – Udaan. These efforts focus on raising awareness about key tourist destinations and products within the country and facilitating growth in tourism-related activities.

3.5 Challenges for the Indian hospitality industry

The Indian hospitality industry also faces certain challenges. Some of them are illustrated below.



Source: Crisil Intelligence

Hotel industry is cyclical in nature

The hospitality sector is cyclical in nature. During positive cycles, the industry witness periods of sustained growth and healthy average room rates (ARR) and occupancy rates (OR). This trend continues until the economy undergoes a downturn or when there is excess supply in the sector. Mirroring the economic climate, usually, occupancy rates begin to decline when recession sets in, which is followed by a decline in ARR. During the recovery phase, occupancy rates start to move up. Subsequently, ARR also start increasing.

Business destinations are more sensitive to macroeconomic factors i.e., RevPAR growth in business destinations is more sensitive to macroeconomic indicators such as GDP growth. On the other hand, Leisure destinations are more sensitive to non-economic factors such as terror attack and health related travel warnings.

In fiscal 2023, occupancies shot up from 50% in fiscal 2022 to 69%, due to strong demand from overall segments coupled with recovering international passengers. Rising OR pushed the ARR price which led RevPAR to grow at new highs. Fiscal 2024 witnessed rise in ARR by 11%, as supply is expected to grow at a steady pace, keeping demand uptight and rising demand from business, leisure and international travel coming to pre-pandemic levels will drive the OR at new highs. Fiscal 2025, is estimated to witness a ARR growth of 7-8%, owing to demand being above or near to ~70% occupancy for most of the places.

Hotel industry is highly capital-intensive industry

The hotel industry is very capital intensive in nature. Huge capital is required to ensure smooth flow of operations from commencement of construction till the time they are functional. Even after being operational, a hotel takes a few years to attain stable occupancy. The typical break-even period for premium hotels is around 5 years. Hence, it is imperative to also have an ability to bring in funds, to ensure sufficient cash flows for repayment of debt as well as for continued operations of the hotel till break-even occurs.

Project delays can lead to cost overruns

One of the major risks involved in the hotel industry is the construction related risk. Various factors such as change in project scope, change in operator, clearances from the government etc hamper the projects execution and can result in delays, translating into cost overruns and impacting the financial profile of the developers.

Talent pool remains an issue due to the shortage of skilled staff

Shortage of trained and experienced staff remains a major concern for the hotel industry. Rapid expansion by hotel chains has outpaced demand for the requisite talent pool over the past few years and the scenario is expected to continue in the short-to-medium term. This has prompted major hotel chains to operate their own training institutes or vocational programmes. Additionally, employee costs across guest services, housekeeping and kitchen management, along with managerial positions, form a major share of a hotel's operating costs and these are independent of occupancy levels.

Emergence of alternative accommodation options could pose a threat in the long term

The past few years have seen the emergence of several alternative accommodation options, which are gaining traction among travellers. Travellers, especially urban millennials, are increasingly looking at homestays, self-catering villas, camps, and farmhouses as alternatives to conventional hotel rooms in a bid to experience the authentic culture and cuisine of a destination. Many such places also offer related activities, such as farming, fruits or vegetable picking, and pottery, which add to the authenticity. Typically, such alternative accommodations are also economical compared with hotel stays. Moreover, reviews on social media platforms and online travel portals have also played a role in popularising such options and tackling the issue of safety and security at the same time. Several online travel portals have come up to cater exclusively to these experiences, indicating the growing popularity of such options.

Another popular concept is Airbnb, which allows homeowners to host travellers in their houses for a price. Many young travellers are choosing Airbnb to get a taste of local culture. Couchsurfing, which allows travellers to find free-of-cost accommodation at the homes of like-minded travellers, is also fast gaining popularity as an option to experience local culture while networking with people of similar tastes.

Even though most of these options are still at a nascent stage in India, they may pose a challenge to the more formal hotel industry in the medium-to-long term.

Geographical concentration

Hotels players having presence restricted to only certain locations face uncertainties in the event of localized incidents leading to a decline in demand, increase in competition etc. Presence across different geographies helps a company avoid concentration of risk associated with any particular market.

4 Assessment of competitive landscape of overnight ocean and coastal cruise industry in India

In this section, Crisil has analysed some key players operating in the cruise industry. As Waterways Leisure Tourism Limited is the only domestic ocean cruise operator in India, Crisil has considered key global cruise companies- Carnival Corporation & Plc, Norwegian Cruise Line Holdings Ltd. and Royal Caribbean Cruises Ltd for this section as global references. Additionally, Crisil has also considered selected players operating in industries like hospitality, amusement park and gaming.

Data has been obtained from publicly available sources, including annual reports available in the public domain/ filed with the RoC, investor presentations of listed players, regulatory filings, rating rationales, and/or company websites and social media pages. Financials in the competitive section have been re-classified by Crisil, based on annual reports available in the public domain/ filed with the RoC and financial filings by the relevant players. Financial ratios used in this report may not match with the reported financial ratios by the players on account of standardisation and re-classification done by Crisil.

Note: The list of competitive landscape peers considered in this section is not exhaustive but an indicative list.

4.1 Overview of key players

Company name	Year of incorporation	Headquarters/ Head office	Business overview*
Selected cruise operators			
Carnival Corporation & Plc ¹	Carnival Corporation:1974 Carnival plc: 2000	Miami, Florida	Carnival Corporation & Plc are public listed companies operating in global cruise and leisure travel industry, with a portfolio of multiple cruise lines including AIDA Cruises, Carnival Cruise Line, Costa Cruises, Cunard, Holland America Line, etc. The company has presence across contemporary, premium and luxury cruise experiences
Norwegian Cruise Line Holdings Limited ²	1966	Miami, Florida [^]	Norwegian Cruise Line Holdings Ltd. is global cruise company which operates the Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises brands. The company itineraries include multiple offerings like accommodations, dining venues, bars and lounges, spa, casino and retail shopping areas, entertainment choices, shore excursions, air transportation, etc
Royal Caribbean Cruises Limited ³	1985	Miami, Florida [^]	Royal Caribbean Cruises Ltd is a global cruise company and own three global cruise brands: Royal Caribbean, Celebrity Cruises and Silversea Cruises, collectively known as Global Brands. The company also own a 50% joint venture interest in TUI Cruises GmbH ("TUIC"), which operates the German brands TUI Cruises and Hapag-Lloyd Cruises
Waterways Leisure Tourism Limited	2020	Mumbai, India ⁴	Waterways Leisure Tourism Ltd was incorporated in 2020 in Mumbai, Maharashtra. It is the only domestic ocean cruise operator in India as of December 31, 2024, with its premium cruise line – Cordelia Cruises. Cordelia Cruises offers luxurious and inherent Indian experiences. Cordelia sails along the Indian coastline and operates majorly from Mumbai and Chennai.

Company name	Year of incorporation	Headquarters/ Head office	Business overview*
			Waterways Leisure Tourism Limited operates a single cruise vessel with a passenger capacity of 2,005 guests as of FY24.
Selected players in hospitality industry			
Chalet Hotels Limited	1986	Mumbai, India ⁴	Chalet Hotels Ltd (CHL) is a part of the K Raheja Corp group. The company is into hospitality and real estate development. CHL is the owner, developer, asset manager and operator of high-end hotels and a hotel-led mixed-use developer in metropolitan cities such as MMR, Hyderabad, Bengaluru and Pune.
Juniper Hotels Limited	1985	Mumbai, India ⁴	Juniper Hotels Ltd is a luxury hotel development and ownership company offering multiple amenities besides accommodation like business centres, meeting rooms, MICE facilities, wedding services, varied dining options (including restaurants and bars), etc.
Lemon Tree Hotels Limited	1992	Delhi, India ⁴	The Lemon Tree group was founded by Mr. Patanjali Keswani. The company is in the business of operating hotels, including providing hotel services like accommodation/rooms, dining, bar, banquets, conference, meeting rooms, spa, fitness center, swimming pool, etc. The first hotel commenced operations in Gurugram in 2004. It also has a management arm that provides managerial and operational services to hotel owners.
Samhi Hotels Limited	2010	Delhi, India ⁴	Samhi Hotels Ltd (SHL) was founded by Ashish Jakhanwala and Manav Thadani and incorporated on December 28, 2010. SHL is branded hotel ownership and an asset management platform in India.
Taj GVK Hotels & Resorts Limited	1995	Hyderabad, India ⁴	Taj GVK Hotels & Resorts Ltd was incorporated in February, 1995 and is a joint venture between the GVK Group and The Indian Hotels Company Limited and is primarily engaged in the business of owning, operating and managing hotels, palaces and resorts with the brand name of "TAJ".
Selected Amusement parks/ theme parks focused players			
Imagicaaworld Entertainment Limited	2010	Khalapur, India ⁴	Imagicaaworld Entertainment Limited, formerly Adlabs Entertainment Limited, was formed as a partnership firm, M/s. Dream Park, in May 2009, which was converted to a private company, and then to a public company, Adlabs Entertainment Limited, in April 2010. The company offers combination of a theme park, a water park, a snow park and Novotel, a 5-star hotel –all under the Imagicaa umbrella-at Khopoli. The customer base includes individuals, schools, groups, corporate clients, events like weddings, etc.
Wonderla Holidays Limited	2002	Bangalore, Karnataka ⁴	Wonderla Holidays Limited was incorporated in the year 2002 and is registered at Bangalore. Wonderla Holidays Limited offerings include amusement parks and resorts. The company operates amusement parks in Bangalore, Hyderabad, Kochi and Bhubaneswar, whereas its resort is situated in Bangalore.

Notes:

¹ Carnival Corporation was incorporated in Panama in 1974, and Carnival plc was incorporated in England and Wales in 2000. Carnival Corporation and Carnival plc operate a dual listed company ("DLC"), whereby the businesses of Carnival Corporation and Carnival plc are combined through a number of contracts and through provisions in Carnival Corporation's Articles of Incorporation and By-Laws and Carnival plc's Articles of Association.

² Norwegian commenced operations from Miami, Florida in 1966, by offering weekly departures from Miami, Florida to destinations in the Caribbean. In February 2011, NCLH, a Bermuda limited company, was formed. In January 2013, NCLH completed its IPO and the ordinary shares of NCLC were exchanged for the ordinary shares of NCLH, and NCLH became the owner of 100% of the ordinary shares and parent company of NCLC.

³ Royal Caribbean was founded in 1968 as a partnership. Its corporate structure has evolved over the years and, the current parent corporation, Royal Caribbean Cruises Ltd., was incorporated on July 23, 1985 in the Republic of Liberia under the Business Corporation Act of Liberia.

⁴ Registered address as per MCA

*List of offerings of the players is only indicative and not exhaustive

^ Address of principal executive offices

The above list of players is only indicative and not exhaustive

Source: Company annual reports, filings, websites, Crisil Intelligence

4.2 Financial Overview

Operating revenue

Company Name (Rs million)	FY22	FY23	FY24	CAGR (FY22-24)
Selected cruise operators				
Carnival Corporation & PLC* ¹	140,778.3	949,607.6	1,781,949.8	255.8%
Norwegian Cruise Line Holdings Limited* ²	47,886.6	380,492.7	706,126.9	284.0%
Royal Caribbean Cruises Limited* ²	113,225.6	694,410.1	1,147,982.5	218.4%
Waterways Leisure Tourism Limited	1,365.6	4,840.1	4,421.4	79.9%
Selected players in hospitality industry				
Chalet Hotels Limited*	5,207.6	11,422.4	14,251.1	65.4%
Juniper Hotels Limited*	3,089.5	6,672.2	8,179.4	62.7%
Lemon Tree Hotels Limited*	4,031.6	8,763.4	10,718.5	63.1%
Samhi Hotels Limited*	3,239.6	7,397.9	9,609.1	72.2%
Taj GVK Hotels & Resorts Limited*	2,281.2	4,110.1	4,088.3	33.9%
Selected Amusement parks/ theme parks focused players				
Imagicaaworld Entertainment Limited*	748.7	2,598.0	2,692.0	89.6%
Wonderla Holidays Limited	1,285.4	4,313.4	4,850.3	94.3%

Notes:

¹ Financials for Carnival Corporation & PLC are as per November ending (e.g., in the above table, FY22 is year ended November 2021, etc)

² Financials for Norwegian Cruise Line Holdings Limited and Royal Caribbean Cruises Limited are on a calendar year basis (e.g., in the above table, FY22 is calendar year 2021, etc)

*on consolidated basis

Numbers reclassified as per Crisil standards and may not match company reported numbers

Exchange rates used are as follows:

Period	CY2021	CY2022	CY2023
INR- USD	73.9	78.6	82.6

Twelve months ending	Nov 2021	Nov 2022	Nov 2023
INR- USD	73.8	78.0	82.5

Source: Company annual reports, Crisil Intelligence

Operating Profit Before Depreciation, Interest and Taxes |OPBDIT|

Company Name (Rs million)	FY22	FY23	FY24	CAGR (FY22-24)
Selected cruise operators				
Carnival Corporation & PLC* ¹	(354,454.4)	(176,983.3)	350,976.3	n.m.
Norwegian Cruise Line Holdings Limited* ²	(136,827.2)	(63,033.5)	140,340.9	n.m.
Royal Caribbean Cruises Limited* ²	(184,415.6)	41,004.8	357,196.0	n.m.
Waterways Leisure Tourism Limited	(355.7)	(38.6)	230.0	n.m.
Selected players in hospitality industry				
Chalet Hotels Limited*	1,191.5	4,374.0	6,002.6	124.5%
Juniper Hotels Limited*	666.6	2,723.0	3,112.9	116.1%
Lemon Tree Hotels Limited*	1,198.1	4,489.6	5,244.4	109.2%
Samhi Hotels Limited*	132.9	2,389.6	2,700.4	350.8%
Taj GVK Hotels & Resorts Limited*	527.4	1,463.9	1,309.3	57.6%
Selected Amusement parks/ theme parks focused players				
Imagicaaworld Entertainment Limited*	332.3	937.5	970.2	70.9%
Wonderla Holidays Limited	185.0	2,114.0	2,271.9	250.5%

Notes:

1 Financials for Carnival Corporation & PLC are as per November ending (e.g., in the above table, FY22 is year ended November 2021, etc)

2 Financials for Norwegian Cruise Line Holdings Limited and Royal Caribbean Cruises Limited are on a calendar year basis (e.g., in the above table, FY22 is calendar year 2021, etc)

*on consolidated basis

n.m.: not meaningful

Numbers reclassified as per Crisil standards and may not match company reported numbers; formula used for OPBDIT calculation is as follows:

OPBDIT: Operating revenue- Cost of Sales

Exchange rates used are as follows:

Period	CY2021	CY2022	CY2023
INR- USD	73.9	78.6	82.6

Twelve months ending	Nov 2021	Nov 2022	Nov 2023
INR- USD	73.8	78.0	82.5

Source: Company annual reports, Crisil Intelligence

Profit after Tax |PAT|

Company Name (Rs million)	FY22	FY23	FY24	CAGR (FY22-24)
Selected cruise operators				
Carnival Corporation & PLC* ¹	(701,014.0)	(475,467.1)	(6,106.8)	n.m.
Norwegian Cruise Line Holdings Limited* ²	(333,039.5)	(178,308.6)	13,724.4	n.m.
Royal Caribbean Cruises Limited* ²	(388,754.1)	(169,360.6)	140,731.1	n.m.
Waterways Leisure Tourism Limited	(534.2)	(641.0)	59.5	n.m.
Selected players in hospitality industry				
Chalet Hotels Limited*	(814.7)	1,832.9	2,781.8	n.m.
Juniper Hotels Limited*	(1,880.3)	(15.0)	238.0	n.m.
Lemon Tree Hotels Limited*	(1,373.6)	1,405.4	1,817.1	n.m.
Samhi Hotels Limited*	(4,432.5)	(3,385.9)	(2,346.2)	n.m.
Taj GVK Hotels & Resorts Limited*	99.0	798.2	744.1	174.1%
Selected Amusement parks/ theme parks focused players				
Imagicaaworld Entertainment Limited*	(2,440.7)	3,571.4	5,409.3	n.m.
Wonderla Holidays Limited	(94.8)	1,489.0	1,579.6	n.m.

Notes:

1 Financials for Carnival Corporation & PLC are as per November ending (e.g., in the above table, FY22 is year ended November 2021, etc)

2 Financials for Norwegian Cruise Line Holdings Limited and Royal Caribbean Cruises Limited are on a calendar year basis (e.g., in the above table, FY22 is calendar year 2021, etc)

*on consolidated basis

n.m.: not meaningful

Numbers reclassified as per Crisil standards and may not match company reported numbers

Exchange rates used are as follows:

Period	CY2021	CY2022	CY2023
INR- USD	73.9	78.6	82.6

Twelve months ending	Nov 2021	Nov 2022	Nov 2023
INR- USD	73.8	78.0	82.5

Source: Company annual reports, Crisil Intelligence

Key financial ratios (FY24)

Company Name	OPBDIT%	PAT %	RoE%	RoCE%	Gearing ratio	Interest coverage ratio	Current ratio
Selected cruise operators							
Carnival Corporation & PLC* ¹	19.7	(0.3)	(1.4)	5.3	6.0	2.1	0.4
Norwegian Cruise Line Holdings Limited* ²	19.9	1.9	n.m.	6.7	n.m.	2.3	0.4
Royal Caribbean Cruises Limited* ²	31.1	12.3	55.4	12.2	5.2	3.3	0.3
Waterways Leisure Tourism Limited	5.2	1.3	n.m.	n.m.	0.0	2.2	0.6
Selected players in hospitality industry							
Chalet Hotels Limited*	42.1	19.5	17.1	10.7	1.7	3.1	0.5
Juniper Hotels Limited*	38.1	2.9	1.7	6.4	0.3	1.0	0.7
Lemon Tree Hotels Limited*	48.9	17.0	13.4	13.5	1.3	2.6	0.6
Samhi Hotels Limited*	28.1	(24.4)	n.m.	2.7	3.6	0.5	0.4
Taj GVK Hotels & Resorts Limited*	32.0	18.2	14.8	21.2	0.1	11.6	1.0
Selected Amusement parks/ theme parks focused players							
Imagicaaworld Entertainment Limited*	36.0	200.9	105.5	64.3	0.3	412.6	0.5
Wonderla Holidays Limited	46.8	32.6	15.5	19.5	0.0	103.8	4.5

Notes:

1 Financials for Carnival Corporation & PLC are as per November ending (e.g., in the above table, FY24 is year ended November 2023, etc)

2 Financials for Norwegian Cruise Line Holdings Limited and Royal Caribbean Cruises Limited are on a calendar year basis (e.g., in the above table, FY24 is calendar year 2023, etc)

*on consolidated basis

n.m.: not meaningful

Numbers reclassified as per Crisil standards and may not match company reported numbers

Formulae used are as follows:

OPBDIT % = OPBDIT / operating income

PAT % = PAT / operating income

RoE = PAT / Average of tangible net worth

RoCE = Profit before interest and tax (PBIT) / Average of [total debt + tangible net worth)

Gearing ratio= Total debt/ tangible net worth

Interest coverage ratio= PBDIT/ Interest and Finance Charges

Current ratio= (Marketable Securities+ Cash Equivalents+ Total inventories+ Total Receivables+ Total Other Assets- Loans & Advances to Subsidiaries-Loans & Advances to Affiliate Companies-Non Current Assets; Related To Operations- Non Current Assets ; Not Related To Operations+ Bills Discounted ;From Company's Limits)/ (Total Short Term Debt- Loans & Advances From Promoters ;Other Affiliated Cos.- Loans & Advances from subsidiaries + Debt From Subs :Affiliates Repayable In One Year+ Total Other Liabilities-Amount Due To Subsidiaries :Short Term Liabilities-Amount Due To Affiliates :Short Term Liabilities+ Total Provisions-Non Current Liabilities: Provisions Related To Ops- Non Current Liabilities: Provisions Not Related To Ops+Bills Discounted ;From Company's Limits

Source: Company annual reports, Crisil Intelligence

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