

**Tourism Finance Corporation of India Ltd.**

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CIN : L65910DL1989PLC034812

TF/LISTING/2024  
July 25, 2024

National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051	BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
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**Sub: Disclosure under Reg. 30 & Reg. 55 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.**

Dear Sir,

This is to inform you that credit ratings of the company assigned by Infomerics Valuation and Rating Pvt. Ltd. as detailed below:

Sr. No.	Name of the Credit Rating Agency	ISIN	Credit rating assigned	Outlook	Rating Action	Specify Other rating Action	Date of receipt of Credit Rating	Verification Status of Credit Rating Agencies	Date of Verification
1	Infomerics Valuation and Rating Pvt. Ltd.	Proposed Commercial Paper (CPs) (Rs.100 crore)	IVR A1+ (IVRA One Plus)	-	Assigned	-	25.7.2024	Verified	25.7.2024

The rating rationale given by Infomerics Valuation and Rating Pvt. Ltd. is enclosed as Annexure.

Yours faithfully,

(Sanjay Ahuja)  
Company Secretary &  
Compliance Officer

## Press Release

Tourism Finance Corporation of India Limited (TFCI)

July 25, 2024

### Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Proposed Commercial Paper (CPs)	100.00	IVR A1+ (IVR A One Plus)	-	Assigned	Simple
<b>Total</b>	<b>100.00</b> <b>(Rupees One Hundred crore Only)</b>				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2; Detailed explanation of covenants is at Annexure 3.

### Detailed Rationale

Infomerics ratings has assigned its ratings to the proposed commercial paper issue of TFCI as it derives comfort from healthy capitalisation, sizeable scale of operations albeit degrowth witnessed in last 3 years, stable earnings profile and long track record of operations with experienced promoters and professional management. However, the ratings are constrained by moderate, albeit improving asset quality and inherent risks associated with NBFCs coupled with intense competition.

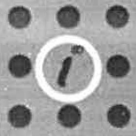
### Key Rating Sensitivities:

#### Downward Factors

- Adverse movements in collection efficiency resulting in increased credit costs
- Substantial deterioration in AUM levels, profitability, capitalisation levels, liquidity and asset quality.

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths



## Press Release

### **Healthy capitalisation**

TFCI's capitalisation levels continue to remain healthy with total CRAR of 59.01%, tangible net worth of Rs 1089.43 crore and low gearing of 0.90x in FY24 (refers to period April 1<sup>st</sup>, 2023, to Mar 31, 2024) (31<sup>st</sup> March 2023: CRAR:62.28%, Tangible Net Worth: Rs 1016.70 crore and gearing:0.98x). The company has been continuously raising additional capital required to augment the growth in AUM. The latest being Rs 50.00 crore of fresh capital in April 2024 through preferential allotment of shares. With the current levels of CRAR, TFCI can achieve an AUM growth of ~20% for next 3-4 years without any further capital infusion. As per management, TFCI is expected to achieve AUM of close to Rs.2500.00 crore by FY25 with higher demand and expected higher exposure in tourism segment and penetration into other sectors.

### **Moderate scale of operations albeit degrowth witnessed in AUM in the last 3 years.**

Though, TFCI has a sizeable AUM of Rs 1588.92 crore as on 31<sup>st</sup> March 2024 which has witnessed degrowth in last 3 years from Rs 1,976.64 crore as on 31 March 2022 to Rs 1,621.48 crore as on 31 March 2023 and further to Rs 1588.92 crore as on 31 March 2024, despite growth in disbursements from Rs 277.00 crore in FY22 to Rs 852.70 crore in FY24. This was on account of higher prepayments in the last 2 years which stood at Rs.610.69 in FY23 and Rs.493.14 crore in FY24.

### **Stable earnings profile**

Though TFCI's net interest income has declined in FY24 to Rs.94.96 crore (FY23: Rs.106.25 crore) due to degrowth in AUM, earning profile remains stable. NIM has marginally declined to 6.05% for FY24 (FY23:6.29%) due to increased cost of borrowings. Cost to income ratio remains low at 16.86% for FY24 (FY23:16.74%) reflecting optimisation of resources. ROTA remains healthy at 4.46% for FY24 (FY23:4.16%).

## Press Release

### **Long track record of operations with experienced promoters and professional management**

TFCI was established in 1989 and has a long track of providing financial assistance to various sectors for more than 3 decades. TFCI's AUM is geographically well spread across India. TFCI's current promoters are Life Insurance Corporation of India (LIC), the Oriental Insurance Co. Limited, and Pransatree Holdings Pte. Limited. Mr. Anoop Bali, Managing Director, is experienced finance personnel with over three decades of experience and takes care of day-to-day operations. The company's board has nine directors out of which five are independent directors including one female director. Over the years, the management of TFCI has put in place strong Credit appraisal policies and processes, Monitoring & Recovery, NPA/Stressed Asset Management, Legal team and Risk Management systems.

### **Key Rating Weaknesses**

#### **Moderate, albeit improving asset quality**

TFCI is exposed to borrower concentration risk with top 20 borrowers contributing to 72.34% of total AUM coupled with the fact that average ticket size being ~Rs 60 crore, the asset quality of TFCI is susceptible to slippages as even a single account slipping into NPA status will have a significant impact on the asset quality of the company. However, recoveries have also improved in last 3 years with TFCI recovering Rs 515.17 crore in FY22, Rs 329.84 crore in FY23 and Rs 478.55 crore in FY24. On the back of which the asset quality has improved in FY24 with GNPA and NNPA reducing to 2.75% and 1.51% respectively in FY24 from 3.92% and 2.95% respectively in FY23.

#### **Inherent risks associated with NBFCs coupled with intense competition.**

Even though PCPL has ventured into other sectors such as manufacturing, MSME and real estate lending, its product diversification remains low with the concentration primarily being in the tourism segment (~61%). The NBFC industry is prone to socio-political and operational risks, which could negatively impact the company's operations and thus its financial position



## Press Release

as has been seen during the pandemic and demonetisation coupled with severe competition by other NBFCs and Banks

**Analytical Approach:** Standalone

**Applicable Criteria:**

**Rating Methodology for Financial Institutions/Non-Banking Finance companies**

**Policy on Default Recognition and Post – Default Curing Period**

**Criteria of assigning Rating Outlook.**

**Complexity level of rated instruments/Facilities**

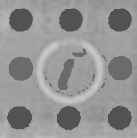
**Financial Ratios & Interpretation (Financial Sector)**

**Liquidity: Strong**

TFCI has strong liquidity with total CRAR of 59.01% and TNW of Rs 1089.43 crore with a gearing of 0.90x as on 31 March 2024. TFCI also has adequately matched ALM profile with no negative cumulative mismatches across various buckets. Apart for this, TFCI has a liquidity in the form cash and bank balances, liquid investments and unutilised bank lines amounting to Rs 400.93 crore as on 31 March 2024 which provides additional comfort.

**About the company**

TFCI is a Delhi-based NBFC-ML, incorporated in 1989, as a Public Financial Institution (PFI) to cater to the financial needs of the tourism industry. The company is listed on Bombay Stock Exchange and National Stock Exchange. As on March 31, 2024, Life Insurance Corporation of India, the Oriental Insurance Co. Ltd., as promoters & Pransatree Holdings Pte. Limited as promoter group, holds collectively 8.04% stake in the company.



## Press Release

### Financials (Standalone)\*:

Rs in crore

For the year ended/As on*	31-03-2023	31-03-2024
	(Audited)	(Audited)
Total Income	231.45	241.86
PAT	87.95	91.11
AUM	1621.48	1588.92
Tangible Networkth	1016.70	1089.43
Total debt	998.83	977.66
<b>Ratios</b>		
NIM(%)	6.29	6.05
ROTA(%)	4.16	4.46
Interest Coverage (Times)	2.20	2.13
Total CRAR (%)	62.28	59.01
GNPA (%)	3.92	2.75
NNPA(%)	2.95	1.51
Overall Gearing (Times)	0.98	0.90

\*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Not applicable

Any other information: NA

Rating History for last three years:

Sr No.	Name of Instrument/ Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years					
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) Rating(s) assigned 2023-24	& in	Date(s) Rating(s) assigned 2022-23	& in	Date(s) Rating(s) assigned 2021-22	& in
1.	Proposed Commercial Paper	Short Term	100.00	IVR A1+	-		-		-	



## Press Release

### Analyst Contacts:

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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength

## Press Release

of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Instrument/Facility Details

Instrument	ISIN	Date of Issuance	Maturity Date	Coupon (%)	Amount (Rs in Crores)	Listing Status	Rating
Proposed CPs	-	-	-	-	100.00	To be listed	IVR A1+
	<b>Total</b>				<b>100.00</b>		

### Annexure 2: Facility wise lender details – Not Applicable

### Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

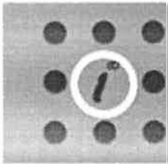
#### Draft Term sheet for the proposed Commercial Paper issue of Rs 100.00 crore

Issuer	Tourism Finance Corporation of India Limited
Issue	Commercial Paper (CPs)
Discount Rate	8.25% p.a.
Period	Up to 364 days
Issue Size (Maturity Value)	Rs.100 Crore
Issue Size (Subscription Value)	Rs. 92.37875 Crore
Issue Size (Maturity Value) Per Unit	Rs. 5,00,000/- per unit
Issue Size (Subscription Value) Per Unit	Rs. 4,61,894/- per unit
<ul style="list-style-type: none"> <li>Conditions (If Any)</li> </ul>	NIL
<ul style="list-style-type: none"> <li>Purpose of the Issue</li> </ul>	Onward lending to short term loans and general cash flow requirements
<ul style="list-style-type: none"> <li>Credit Support (If Any)</li> </ul>	NIL
Issuing And Paying Agent	State Bank of India
Listed/Non-Listed	Listed

### Annexure 4: List of companies considered for consolidated/Combined analysis: Not applicable.

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com)





# Infomerics Ratings

## Press Release



**INFOMERICS VALUATION AND RATING PVT. LTD.**  
*Integrated Financial Omnibus Metrics Research of International Corporate Systems*

Date: July 23, 2024

**Shri. Anoop Bali**

Managing Director

**Tourism Finance Corporation of India Limited**

4<sup>th</sup> floor, Tower -1, NBCC plaza, Sector – V, Pushp Vihar Saket

New Delhi – 110 017

Dear Sir,

**Credit rating for Commercial Paper (CPs)**

Please refer to the Mandate contract dated **June 24, 2024**, on the captioned subject and your E-Mail dated **July 23, 2024** accepting our rating & use thereof.

1. Our Rating Committee has assigned the following ratings:

Facilities	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action
Proposed Commercial Paper (CPs)	100.00	IVR A1+ (IVR A One Plus)	-	Assigned
<b>Total</b>			<b>100.00</b>	<b>(Rupees One Hundred Crore Only)</b>

2. Details of the credit facilities are attached in **Annexure I**. Our rating symbols for long-term and short-term ratings and explanatory notes thereon are attached in **Annexure II**.

3. The press release for the rating(s) will be communicated to you shortly.

4. The above rating is normally valid for a period of one year from the date of the rating committee (that is, **July 18, 2025**).

5. If the proposed long term / short term facility (if any) is not availed within a period of six months / three months respectively from the date of this letter, then the rating may please be revalidated from us before availing the facility.

**Registered & Head Office** : Flat No. 104/108, 1st Floor, Golf Apartment, Sujjan Singh Park, New Delhi-110003, (INDIA)  
Phone : +91 11 24611910, 24649428, 41410244 Fax : +91-11-24627549 E-mail : vma@infomerics.com

**Branch Office** : 10/01, 10th Floor, Prestige Meridian - Tower II, 29, M G Road, Bangalore - 560001, Karnataka  
Phone : +91-80-41216812, 8929802937 E-mail : Info@infomerics.com URL : www.infomerics.com

**CIN : U32202DL1986PTC024575**



6. INFOMERICS reserves the right to undertake a surveillance/review of the rating(s) from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. A formal surveillance/review of the rating is normally conducted within 12 months from the date of initial rating/last review of the rating. However, INFOMERICS reserves the right to undertake a surveillance/review of the rating more than once a year if in the opinion of INFOMERICS, circumstances warrant such surveillance/review.
8. **You shall provide us with a No Default Statement as at the last date of the month on the first date of succeeding month without fail.** The NDS shall be mailed every month to [nds@infomerics.com](mailto:nds@infomerics.com) and to the mail id of the undersigned.
9. **You shall provide the quarterly performance results/quarterly operational data (being submitted to Banks) to us within 6 weeks from the close of each calendar quarter for our review/monitoring.**
10. You shall furnish all material information and any other information called for by INFOMERICS in a timely manner, for monitoring the rating assigned by INFOMERICS. In the event of failure on your part in furnishing such information, to carry out continuous monitoring of the rating of the bank facilities, INFOMERICS shall carry out the review/annual surveillance based on best available information throughout the lifetime of such bank facilities as per the policy of INFOMERICS.
11. Please note that INFOMERICS ratings are not recommendations to buy, sell or hold any security or to sanction, renew, disburse or recall the bank facilities. INFOMERICS do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
12. Users of this rating may kindly refer our website [www.infomerics.com](http://www.infomerics.com) for latest update on the outstanding rating.



Thanking you,  
With Regards,

**Sree Harsha**  
Senior Manager  
[sree.harsha@infomerics.com](mailto:sree.harsha@infomerics.com)

**Amit Bhuwania**  
Director - Ratings  
[abhuania@infomerics.com](mailto:abhuania@infomerics.com)

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue/ issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

**Annexure I**

**Details of Rated /Instruments**

**1. Short Term – Instruments – Commercial Paper (CPs)**

(Rs.Crore)

Instrument	ISIN	Date of Issuance	Maturity Date	Coupon (%)	Amount	Listing Status
Proposed CPs	-	-	-	-	100.00	To be listed
	<b>Total</b>				<b>100.00</b>	



**ANNEXURE II**

**Credit Rating – Long Term Rating Scale**

*Long term: Original maturity exceeding one year*

<b>Rating Symbol</b>	<b>Rating Definition</b>
<b>IVR AAA</b>	Securities with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk.
<b>IVR AA</b>	Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.
<b>IVR A</b>	Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk.
<b>IVR BBB</b>	Securities with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such securities carry moderate credit risk.
<b>IVRBB</b>	Securities with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
<b>IVRB</b>	Securities with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
<b>IVR C</b>	Securities with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
<b>IVRD</b>	Securities with this rating are in default or are expected to be in default soon.

***Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories AA to C. The modifiers reflect the comparative standing within the category.***

The above rating scale also applies to rating of bank loans, fixed deposits and other instruments.



**Credit Rating - Short Term Rating Scale**

*Short term: Original maturity of up to one year*

Rating Symbol	Rating Definition
IVR A1	Securities with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such securities carry lowest credit risk
IVRA2	Securities with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such securities carry low credit risk.
IVRA3	Securities with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations. Such securities carry higher credit risk as compared to instruments rated in the two higher categories.
IVRA4	Securities with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations. Such securities carry very high credit risk and are susceptible to default.
IVR D	Securities with this rating are in default or expected to be in default on maturity.

Modifier {"+" (plus)} can be used with the rating symbols for the categories A1 to A4. The modifier reflects the comparative standing within the category.

The above rating scale also applies to rating of bank loans, fixed deposits and other instruments.