



TOURISM FINANCE CORPORATION OF INDIA LIMITED

Chairman's Speech at the 36th AGM



Dr. S.Ravi
Chairman

Dear Shareholders,

It is my privilege to welcome you all to the 36th Annual General Meeting of the Company. At the outset, I wish to express my sincere gratitude for the confidence you have reposed in us and the steadfast support you have extended over the years. Your trust continues to inspire us to remain committed to our mission and to stay the course. The Company's Annual Report has been uploaded on the websites of the Stock Exchanges and the Company, and I trust you have had the opportunity to review it.

Over the past thirty-six years of operations, your Company has built a strong and distinctive presence in the financing of hotels and tourism projects across India. In addition, we have diversified our loan/investment portfolio into several high-potential sectors, including manufacturing, social and urban infrastructure, real estate, financial services, loan against property, as well as loans against the shares.

Allow me to take you through current economic trends, highlights of your Company during Fiscal 2025, and growth avenues we foresee in financing both tourism and diversified non-tourism sectors.

Economic Environment

The Indian economy was the fastest growing of the world, with GDP growth 6.2 percent in FY25 and is expected to grow at 6.5 percent in FY26. The inflation forecast for FY26 has been revised downwards to 3.1%. The Union Budget 2025-26, presented with the theme "Sabka Vikas" (inclusive development) focuses on growth and job creation backed by a stable macro-economic environment with emphasis on agriculture & rural support, infrastructure, exports, tourism and financial sector, direct tax & other regulatory reforms to unleash productivity & employment.

The Indian economy is expected to reach USD 6 trillion by FY31 with an average annual GDP growth rate of around 6% between the period FY26 to FY31. India is expected to be the third largest economy and an upper middle income country within next four years. By FY31, the sectoral contributions to GDP are anticipated a structural transformation towards a more industrialized and service-oriented economy. The increased consumer demand will be a key driver of economic growth and would create substantial investment/debt opportunities in private sector in over next 5 years.

Operating environment in the Tourism Sector

The United Nations World Tourism Organization projects continued growth in the tourism and hospitality sector, with international tourist arrivals expected to grow by 3-5% in 2025. This positive outlook is driven by the steady growth in Asia, Pacific and most other regions.

In India, the travel & tourism industry contributed around USD 231 billion to GDP in FY25. During FY25, Foreign Tourist Arrivals were ~9.65 million and Domestic Tourist Visits were 2650 million. The Indian hospitality sector experienced strong growth, driven by domestic corporate & leisure segment, MICE, social & sports events and religious tourism segment. The high performing pilgrim cities included Varanasi, Ujjain, Tirupati, Katra, Rameshwaram and Ayodhya which welcomed 160 million pilgrims in 2024. Domestic demand is expected to remain strong, while foreign travel is projected to grow steadily in the coming years. India's position as a premier MICE destination is also on rise with world standard venues in Tier-I cities. This momentum will drive strong revenue growth and sustained capital expenditure in the hospitality sector. India branded hotel supply crossed the mark of 2 lakh rooms with addition of ~14,000 rooms in CY24. During FY25, in addition to ~15000 getting operational, 486 hotel brand signings have happened with an estimated 47,430 rooms.

The World Travel and Tourism Council project a positive outlook for India's travel and tourism sector in 2025. The sector's contribution to the Indian economy is projected to reach the global average of 10% with average annual growth of 7% over the next 10 years and a significant increase in international visitor spending. The Indian Government's vision is to become a USD 3 trillion tourism economy by 2047 and is focusing to enhance country's tourism, cultural, economic and social richness by strategic tourism infrastructure development, destination development, manpower training and fostering local entrepreneurship, complemented by robust global branding and marketing efforts driving sustained financing demand in tourism/hospitality sector that would create credit opportunities for your Company.

Your Company has remained steadfast during 36 years of dedicated service in funding tourism and hospitality projects across the country and successfully fulfilled its objective of catalyzing investments in the tourism sector. Your Company has been instrumental in creating and adding approximately 58,700 star-category hotel rooms to the nation's hospitality landscape since inception. This represents an impressive 29% of the total supply of star-category hotel rooms in the country.

Operating environment in non-tourism sectors

Your Company is financing manufacturing, social/urban Infra including renewable energy, logistic, solar, real-estate & financial services (NBFC, HFC & ARC) sector besides loan against property and loans against shares that present ample opportunities.

Real estate sector is expected to gain from infrastructure upgrades, ongoing urbanisation and greater institutional capital inflow. As interest rates are declining and income levels climb, housing demand, particularly in the mid-income and affordable segments, is projected to remain strong, while premium housing is also likely to sustain its pace in major metropolitan markets, driven by targeted buyer interest and limited prime inventory. Together, these factors position the sector for steady performance across diverse price segments.

Manufacturing sector has expanded into new geographies and segments and with initiatives such as Make in India, Digital India and Start-up India have given the much-needed thrust. MSME financing equally offers substantial scope, fuelled by the sector's significant contribution to the country's GDP, its role in employment generation, and the growing need for adaptable, prompt and tailored credit options. These factors position MSME funding as a crucial growth lever, capable of supporting industrial expansion while addressing the evolving financial requirements of small and medium enterprises.

Now moving on to the NBFCs, HFCs, and ARCs sectors, these continue to expand, driven by sustained credit demand and increasing opportunities in MSME, housing, renewable energy

financing, logistics, warehousing, green transportation, education, and turnaround business opportunities. The Government of India's push for clean energy is set to accelerate rooftop solar energy capacity with the PM Surya Ghar Yojna fuelling adoption in the residential market. In parallel, the education sector has always been a key priority for the Government with initiatives advancing foundational learning, skill, and digital education. Together, these sectors present strong financing opportunities for the growth of your Company.

Now, coming to the Company's Performance

During FY25, your Company sanctioned term loans aggregating Rs.1599 crore (PY: Rs.1454 crore) and disbursed term loans were aggregating Rs.915 crore (PY: Rs.853 crore) reflecting growth of 10% and 7% respectively over the previous fiscal. Your Company for the year ended 31st March 2025, recorded total income of Rs.260.06 crore, Profit before Tax of Rs.128.02 crore and Profit after Tax of Rs.103.81 crore. The asset quality was largely contained through an efficient monitoring-cum-collection mechanism with Net NPA at 1.61% of total loans as on 31.3.2025.

During the year, your Company raised term loans from scheduled banks/ institutions aggregating Rs.225 crore. The total borrowings stood at Rs.866.09 crore as on 31st March 2025 as against Rs.983.04 crore at the end of previous fiscal. The networth of your Company increased to Rs.1207.28 crore with capital adequacy of 69.70% as on 31.3.2025. To meet the future resource requirements, your Company will seek financial assistance from banks/institutions and may explore raising funds through long-term bonds or debentures. We hold the confidence to fulfill the funding needs by securing resources at competitive rates.

The operational and financial performance of your Company has shown reasonable improvement as compared to the previous year. With a clear vision and strategic approach set forth by the esteemed Board of Directors, your Company will continue to actively pursue lending opportunities across all segments of hospitality/tourism sector and also in non-tourism sectors viz. manufacturing, social/urban Infra including renewable energy, logistics, education, financial services sectors besides loan against properties and loan against shares. While our commitment to tourism remains steadfast, we are actively broadening our horizons in other sectors leading to sustainable growth for the benefit of all stakeholders.

Acknowledgements

I express my heartfelt gratitude to all our stakeholders for being a pillar of support. Our appreciation extends to the Reserve Bank of India, the Securities and Exchange Board of India, Banks, Financial Institutions and Investors for their continued support to the Company. I am deeply thankful to my esteemed colleagues on the Board for their valuable counsel, guidance, and support in steering this Company towards even greater success. I join the Board of Directors in extending our heartfelt gratitude to all the dedicated employees, whose perseverance and dedication have been instrumental in the Company's achievements. Lastly, I sincerely acknowledge the support, patronage, and encouragement extended to us by the shareholders and each of you, throughout all these years.

Thank you,

August 21, 2025
New Delhi

Sd/-
Chairman