

**Tourism Finance Corporation of India Ltd.**

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CIN : L65910DL1989PLC034812

TF/LISTING/2023  
August 1, 2023

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

**Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.**

Dear Sir,

This is to inform you that credit ratings of the company have been reaffirmed by Brickwork ratings 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	Brickwork Rating	INE305A09232	BWRA+	Stable	Re-affirm	N.A	31.7.2023	Verified	31.7.2023
2		INE305A09208	BWRA+	Stable	Re-affirm	N.A	31.7.2023	Verified	31.7.2023
3		INE305A09216	BWRA+	Stable	Re-affirm	N.A	31.7.2023	Verified	31.7.2023

The rating rationale given by Brickwork Rating is enclosed as Annexure.

Yours faithfully,

(Sanjay Ahuja)  
Company Secretary &  
Compliance Officer

## RATING RATIONALE

31 July 2023

### Tourism Finance Corporation of India Ltd.

Brickwork Ratings reaffirms the ratings for the outstanding Non-Convertible Debentures (NCD) aggregating Rs.334.74 Cr, withdraws the rating of the redeemed NCDs of Rs.200 Cr, reaffirms and withdraws the rating of the outstanding Bank Loan facilities aggregating Rs.288.73 Cr and withdraws the rating of the proposed bank loans of Rs.581.67 Cr of Tourism Finance Corporation of India Ltd.

#### Particulars:

Facility/ Instruments	Amount Rs Crs		Tenure	Rating*	
	Previous	Present		Previous	Present
				(01 Jul 22)	
Bank Loans (1)					
Term Loans(2)	458.33	<b>228.73</b>	Long Term	BWR A+/ Stable Reaffirmation and change in outlook to Stable	<b>BWR A+/ Stable (Reaffirmed and simultaneously withdrawn)</b>
Cash Credit (3)	110.00	<b>60.00</b>			<b>BWR A+/ Stable (Reaffirmed and simultaneously withdrawn)</b>
Proposed - Term loans / CC	581.67	<b>0.00</b>			<b>Withdrawn</b>
<b>Total Bank Limits</b>	1,150.00	<b>288.73</b>			
Bonds (1)					
Multiple Bond Issues	334.74	<b>334.74</b>	BWR A+/ Stable Reaffirmation and change in outlook to Stable	<b>BWR A+/ Stable (Reaffirmed)</b>	
Multiple Bond Issues	200	<b>0.00</b>		<b>Withdrawn on Redemption</b>	
<b>Total Bonds</b>	534.74	<b>334.74</b>			
<b>Total</b>	1,684.74	<b>623.47</b>	<b>Rupees Six Hundred Twenty Three Crore and Forty Seven Lakhs Only</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for the definition of the ratings

- (1) Details of bank loans and NCDs in Annexures
- (2) Outstanding term loans have reduced due to scheduled repayments.
- (3) Reduction in sanctioned amount

#### RATING ACTION / OUTLOOK

Brickwork Ratings (BWR) reaffirms the ratings for the outstanding Non-Convertible Debentures (NCD) aggregating Rs.334.74 Cr of Tourism Finance Corporation of India Ltd. (TFCI).



BWR also withdraws the ratings of the various bonds totalling to Rs.200 Crs, with immediate effect, at the request of the company conveying redemption in full of the said bond issues and confirmation of the same from the Debenture Trustee. The rating withdrawal is in line with the BWR policy for withdrawal of ratings.

BWR also withdraws the ratings of the outstanding Bank Loans aggregating to Rs.288.73 Crs, with immediate effect, at the request of the company and with the No Objection Certificate (NOC) from lenders. The rating withdrawal is in line with the BWR policy for withdrawal of ratings.

BWR also withdraws the ratings of the proposed Bank Loan facilities of Rs.581.67 Cr with immediate effect, at the request of the company confirming that the BWR Rating has not been used for raising any such loan and no amount is outstanding against the rated facility. The rating withdrawal is in line with the BWR policy for withdrawal of ratings.

The rating reaffirmation continues to factor in the experienced management, healthy capitalisation and comfortable liquidity. BWR notes decline in loan book and deterioration in asset quality during FY23. Decline in loan book was on account of prepayments to the extent of Rs.610 Cr and as per BWR's expectations, loan book is expected to improve in subsequent period with increase in disbursement with sharp recovery in tourism sector post Covid period. Deterioration in asset quality was primarily driven by two accounts aggregating Rs.63.62 Cr, which the company is assured of recovery during the current year. Increase in loan book and recovery of stressed assets will be key rating monitorables.

The stable outlook indicates expected improvement in loan book with sharp revival of tourism industry and expected recovery of stressed assets.

## **KEY RATING DRIVERS**

### **Credit Strengths:-**

#### **Experienced management**

TFCI's experienced management team continues to pursue the company's main objective of building a specialised financial institution to provide support on a long-term basis to the tourism-related projects in the country. The company is presently headed by Shri Anoop Bali who is the whole-time director and Chief Financial Officer of the company, having over 30 years of experience in Credit appraisal, Monitoring & Recovery, NPA/Stressed Asset Management, Legal Matters, Risk Management, Accounts & Finance, Treasury and Resource Management, Corporate Advisory, etc. The Board of the company also includes three Independent directors of the total seven board members comprising officials from leading PSUs and Banking industry. The company's senior management also has vast experience in the financial services domain.

#### **Healthy capitalisation with comfortable gearing**

TFCI's healthy capitalisation strengthened further, with the overall capital adequacy (CAR) at 62.65% as at end of FY23 (FY22: 54.59%), well above the regulatory minimum regulatory requirement. The company's tangible net worth has increased to Rs.1008.94 Cr as on 31<sup>st</sup> March 2023 from Rs 928.67 Crs as on 31 Mar 2022 on account of retention of profits. The overall



gearing was low at 0.98 times as on 31 March 2023 (1.38 times as on 31 March 2022). The company is adequately capitalised to meet its near term growth targets on its loan book.

### **Marginal Improvement in returns**

For FY23 the company registered Profit after tax of Rs.87.95 Crs (FY22: Rs.85.32 Crs) despite the decline in the loan book. Improvement in net profit was primarily driven by increase in other income and reduction in borrowing cost due to reduction in outstanding debt. The RoA improved to 4.1% in FY23 as compared to 3.85% for FY22.

### **Credit Risks:-**

#### **Moderate Asset Quality:**

Asset quality deteriorated during FY23 with sharp rise in NPA levels with GNPA and NNPA increasing to 3.92% and 2.95% in March 2023 as compared to 0.74% and 0.37% in March 2022. During the third quarter ended 31.12.2022, loan accounts of M/s Aishwarya Regency LLP, Talegaon, Pune with principal outstanding of Rs.31.26 crore and X-Nine Developers Pvt. Ltd., Gurugram, Haryana with principal outstanding of Rs.38.36 crore were downgraded to sub-standard category resulting in gross NPAs to Rs.69.62 crore.

In respect of sub-standard account of XDPL, a settlement at Rs.38.40 crore has been finalised with an upfront payment of Rs.6.00 crore and balance amount of Rs.32.40 crore to be paid with simple interest @ 10% p.a. on or before 30.09.2023. In the case of ARL, TFCI has taken possession of hotel under SARFAESI Act and is in process to put the asset on public auction to realise the default amount. Outstanding gross NPA was Rs.63.62 crore as on 31.03.2023 and company is making full efforts in recovery of the same. The company is expecting the recovery of the amounts by 30<sup>th</sup> Sep 2023. Timely recovery will be key monitorable.

#### **Moderate scale of operations**

The company's Gross Loan Book declined to Rs.1621.48 Cr as at the end of FY23 from Rs. Rs.1,834.35 Crs as at end of FY22. However, it increased from Rs. 1519.69 Cr as at the of Dec 2022. The decline in loan book during the year was primarily on account of prepayments of Rs.610 Cr. However, it expects to revamp its disbursements during FY24 and AUM to increase in the near term with improvement in the outlook of tourism industry post covid. It is also exploring portfolio buyouts and co-lending models to grow its loan book size. The company has sanctioned Rs.300 Cr loans during this quarter and expects its disbursement by September 2023. Loan book for as at the end of September 2023 is expected to increase to Rs.1800 Cr. Increase in loan book will be the key rating monitorable.

### **ANALYTICAL APPROACH**

BWR has followed a standalone approach for the ratings of TFCI. To arrive at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria below (hyperlinks provided at the end of this rationale).

### **RATING SENSITIVITIES**

**Positive:** No material deterioration in asset quality or profitability, Sectoral exposure Diversification and the low gearing levels are the key rating positives.



**Negative:** Delay in recovery of the stressed assets as stated above and further deterioration in asset quality, deterioration in profitability, liquidity or capital levels, as well as a contraction in the loan book.

**LIQUIDITY POSITION: ADEQUATE**

As on 30<sup>th</sup> June 2023, TFCI had cash and cash equivalent of Rs.89.87 Cr along with unused working capital bank lines of Rs.60 Cr. Further the company had liquid investments of Rs.263.15 Cr and committed undrawn term limits of Rs.150 Cr, making the total liquidity of Rs.563.02 Cr. Apart from this, the company is expecting the repayment of Rs.450 Cr in FY24. As such, total liquidity is sufficient to meet the repayments due in the current year of Rs.310 Cr which are due for repayments from August to March 2024.

**COMPANY PROFILE**

Tourism Finance Corporation of India Ltd (TFCI) was established in 1989 with the main objective of setting-up a specialised financial institution to expedite growth in tourism infrastructure in the country by providing a dedicated line of credit on a long-term basis to tourism-related projects in the country. TFCI is engaged in hospitality sector financing by way of term loans for acquisitions, , new developments, expansion, renovations, and modernization of hotels. It also provides take-over finance to deserving creditworthy borrowers. Besides, TFCI is engaged in financing social infra projects viz. schools, professional colleges, universities, hospitals etc. TFCI also provides financing to established companies in manufacturing and other resilient sectors. While the company was established in 1989 by a group of government organisations such as IFCI Ltd, LIC, SBI, BOI and Canara Bank, with a change in shareholding over the years, as on 30 June 2023, Life Insurance Corporation of India and The Oriental Insurance Co. Ltd. as promoters and Mr. Koppara Sajeeve Thomas, and Pransatree Holdings Pte. Limited, as the promoter group, hold a 17.96% stake in the company. The remaining stake of 82.04% is held by foreign portfolio investors, corporate bodies, individual public shareholders, NRIs and others as on 30 June 2023.

**KEY FINANCIAL INDICATORS**

Key financial highlights are given in the table below:

Particulars	Unit	FY22 (A)	FY23 (A)
Portfolio O/S	Rs. Crs	1834.35	1621.48
Gross NPA	%	0.74	3.92
Net NPA	%	0.37	2.95
Total Income	Rs. Crs	253.49	231.70
PAT	Rs. Crs	85.32	87.95
Tangible Net Worth	Rs. Crs	928.67	1008.94
CRAR	%	54.60	62.65

**KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED: NIL**

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY :NIL**

**RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal & suspended]**

Sr. No.	Facilities / Instruments	Current Rating	Amt (Rs. Cr)	Rating	Rating History				
					2022	2021	2020		
		Tenure			1-Jul-22	22-Jun-21	27-May-20	13-Feb-20	23-Jan-20
1	Bank Term Loan Facilities	Long Term	228.73	BWR A+/Stable (Reaffirmed and Simultaneously Withdrawn)	BWR A+/Stable (Reaffirmed and outlook changed from Negative)	BWR A+/Negative (Reaffirmed)	BWR A+/Negative (Downgrade)	BWR AA-/Negative (Reaffirmed)	BWR AA-/Negative (Reaffirmed)
2	Bank CC Facilities	Long Term	60	BWR A+/Stable (Reaffirmed and Simultaneously Withdrawn)					
3	Proposed Bank Loans	Long Term	581.67	Withdrawn					
4	Outstanding Bonds	Long Term	334.74	BWR A+/Stable (Reaffirmed)					
5	Redeemed Bonds	Long Term	200	Withdrawn					
	<b>Total</b>		<b>623.47</b>	<b>Rupees Six Hundred Twenty Three Crore and Forty Seven Lakhs Only</b>					

**COMPLEXITY LEVELS OF THE INSTRUMENTS**

Bank Loans: **Simple**

Bonds- **Simple**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Banks and Financial Institution](#)
- [Rating Criteria for Capital Instruments issued by Banks and Financial Institutions](#)
- [Approach to Financial Ratios](#)
- [BWR's policy for withdrawal of Ratings](#)

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**Tourism Finance Corporation of India Ltd.**

**ANNEXURE I**

**Details of Bank Loan Facilities rated by BWR**

Sl. No.	Name of the Bank/Lender	Type of Facilities	Long Term Total (Rs.Crs.) <sup>^</sup>	Short Term Total (Rs.Crs.)	Total (Rs.Crs.)
<u>1</u>	State Bank of India	Term Loan	50.00	0.00	50.00
<u>2</u>	State Bank of India	Cash Credit	50.00	0.00	50.00
<u>3</u>	Indian Bank	Term Loan	64.15	0.00	64.15
<u>4</u>	Indian Bank	Cash Credit	10.00	0.00	10.00
<u>5</u>	Punjab & Sind Bank	Term Loan	37.50	0.00	37.50
<u>7</u>	UCO Bank	Term Loan	45.83	0.00	45.83
8	Canara Bank	Term Loan	31.25	0.00	31.25
	<b>Total</b>		288.73	0.00	288.73
	<b>Proposed Bank Loan Facilities (Term loans/Cash Credit)</b>		<b>581.67</b>	0.00	<b>581.67</b>
	<b>Total</b>		<b>1150.00</b>	0.00	<b>1,150.00</b>
		<b>Rupees One Thousand One Hundred and Fifty Crore</b>			

<sup>^</sup>outstanding amount of TL/sanctioned amount of CC as on 1<sup>st</sup> July 2023

**ANNEXURE II  
INSTRUMENT (Bonds) DETAILS**

<b>Instrument</b>	<b>Issue Date</b>	<b>Principal (Rs. Crs)</b>	<b>Amt o/s as on 30.06.23</b>	<b>Coupon</b>	<b>Maturity Date</b>	<b>ISIN Particulars</b>
Secured bond issue  (Series MB 2015-01)	9-Nov-15	159.74	159.74	8.81% SEMI ANNUALLY ON JAN 01 AND JUL 01 OF EVERY YEAR AND ON FINAL MATURITY.	9-Nov-25	INE305A09232
Unsecured bond issue  (Series MB XLVI-B, XLVI- C)	25-Feb-13	100	100	9.60% ANNUALLY ON JANUARY 01 OF EVERY YEAR AND ON FINAL MATURITY	25-Feb-28	INE305A09216
	25-Feb-13	75	75	9.65% ANNUALLY ON JANUARY 01 OF EVERY YEAR AND ON FINAL MATURITY	25-Feb-33	INE305A09208
Unsecured bond issue (Series MB XLIV, MB XLV & MB XLVI-A)	30-Jun-12	75	0	9.95% ANNUALLY ON JANUARY 01 OF EVERY YEAR AND ON FINAL MATURITY	1-Jul-22	INE305A09182
	21-Aug-12	75	0	9.95%	21-Aug-22	INE305A09190
	25-Feb-13	50	0	9.50% ANNUALLY ON JANUARY 01 OF EVERY YEAR AND ON FINAL MATURITY.	25-Feb-23	INE305A09224

**ANNEXURE III  
List of entities consolidated: NA**





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