# Press Release

## Tourism Finance Corporation of India Limited

**March 24, 2026**

**Ratings**

| Instrument / Facility | Amount (Rs. crore) | Current Ratings | Previous ratings | Rating Action | Complexity Indicator |
|---|---|---|---|---|---|
| Fund Based Long Term Bank Facility – Term Loan | 54.55* (Reduced from Rs 75.00 crore) | IVR AA-/Stable (IVR Double A Minus with Stable Outlook) | IVR A+/Stable (IVR Single A Plus with stable outlook) | Rating Upgraded | Simple |
| Non-Convertible Debentures (NCDs) | 175.00 | IVR AA-/Stable (IVR Double A Minus with Stable Outlook) | - | Rating Assigned | Simple |
| Proposed Fund Based Long Term Bank Facility – Term Loan | 245.45 | IVR AA-/Stable (IVR Double A Minus with Stable Outlook) | IVR A+/Stable (IVR Single A Plus with stable outlook) | Rating Upgraded | Simple |
| Proposed Commercial Paper Programme (CPs) | 100.00 | IVR A1+ (IVR A One Plus) | IVR A1+ (IVR A One Plus) | Rating Reaffirmed | Simple |
| **Total** | **575.00 (Rupees Five Hundred and Seventy-Five Crore Only)** | | | | |

*****_There has been a decrease in outstanding term loans due to regular repayments; accordingly, a balance of Rs 20.45 crore has been reclassified and adjusted against the proposed term loans._

**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 has assigned/upgraded/reaffirmed the ratings on the debt instruments/bank facilities of Tourism Finance Corporation of India Limited (TFCI), factor in the improvement in AUM levels and asset quality during 9MFY26, along with the company's comfortable capitalization and diversified resource profile.

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The ratings continue to reflect stable earnings performance, and established track record under experienced promoters and professional management. The ratings draw further support from the moderate but improving scale of operations, with AUM witnessing a revival from FY25 onwards and strong growth momentum during 9MFY26, driven by robust disbursements and lower prepayments. Asset quality indicators have improved significantly, aided by sustained recoveries, resolution of stressed assets, and strengthened monitoring mechanisms. The ratings also continue to factor in TFCI's experienced management, stable profitability supported by a low cost-to-income ratio, sound domain expertise in the hospitality sector, and its long operational track record.

However, the ratings remain constrained by the inherent risks associated with the NBFC business model and the intense competition in the lending space. The credit profile is also moderated by concentration risks in the loan portfolio, with sizeable exposure to top borrowers and relatively high-ticket sizes, which could lead to volatility in asset quality metrics in the event of adverse credit developments. Additionally, sectoral concentration, particularly towards the tourism and hospitality segment, exposes the company to cyclical risks.

The 'Stable' outlook reflects the expectation that TFCI will sustain growth in its AUM over FY26–FY27, supported by its established secured wholesale lending model and diversified portfolio mix. The outlook also factors in the company demonstrated expertise in the hospitality sector, alongside calibrated exposure to mid-income real estate and selective lending to manufacturing and NBFC segments. Further, the improvement of asset quality profile and resilient franchise in tourism financing is expected to support steady earnings, healthy spreads, and overall credit stability over the medium term.

**Key Rating Sensitivities:**

**Upward Factors**

- Substantial growth in AUM while maintaining healthy capitalization, asset quality, profitability and liquidity.

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**Downward Factors**

- Degrowth or subdued growth than expected growth in AUM and/or decline in liquidity and capitalization.
- Adverse movement in the collection efficiency, leading to deterioration in asset quality on a sustainable basis.

**List of Key Rating Drivers with Detailed Description**

**Key Rating Strengths**

**Improvement in asset quality:**

TFCI's asset quality has shown a notable improvement during 9MFY26, with GNPA and NNPA declining to 0.38% and 0%, respectively, from their peak levels of 3.22% and 1.61% as on March 31, 2025. The improvement has been driven by SARFAESI recoveries, ARC settlements and stronger monitoring. The company's average collection efficiency remained healthy at 97.09% for the twelve months ended 28 February, 2026 while the on-time portfolio improved to 98.99% as on December 31, 2025, from 94.80% as on March 31, 2025, indicating strengthened recovery mechanisms and better portfolio performance.

However, the credit profile continues to be constrained by elevated concentration in the loan book, with the top 10 borrowers accounting for 44.50% of the total portfolio. This exposes TFCI to potential asset quality volatility in case of stress in any of these large exposures.

**Stable earnings profile:**

Net Interest Income (NII) grew to Rs. 106.69 crore in FY25, supported by a healthy interest spread and an efficient cost structure, with the cost-to-income ratio remaining low at ~18%. In 9MFY26, NII further strengthened to Rs. 103.60 crore, aided by higher disbursements and improved spreads. Net Interest Margin (NIM) stood at 6.34% in 9MFY26 stands improved as compared to 9MFY25 NIM of 4.65%, with growing Return on Average Assets (ROTA) of 5.60% in 9MFY26.

Profitability improved significantly, with PAT rising to Rs. 103.81 crore in FY25. The positive trend continued in 9MFY26, with total income reaching Rs. 202.89 crore and PAT increasing to Rs. 91.44 crore, reflecting a 24% year-on-year growth. The performance was supported by robust yields, efficient cost management, and prudent credit practices, ensuring sustained profitability.

**Comfortable Capitalisation:**

TFCI maintained a robust capital buffer, supported by strong internal accruals. The CRAR stood at 59.01% in FY24, improved to 69.70% in FY25, and remained comfortable at 58.13% as of 9M FY26, notwithstanding the growth-led increase in risk-weighted assets. The tangible net worth increased steadily from Rs 1,089 crore in FY24 to Rs 1,216 crore in FY25 and further to Rs 1,272.85 crore in 9MFY26.

Gearing remained low and within comfortable limits, improving from 0.90x in FY24 to 0.72x in FY25, and marginally rising to 0.75x in 9MFY26 with incremental borrowings.

**Moderate scale of operations, albeit degrowth witnessed in AUM in the last 3 years:**

TFCI's scale of operations remains moderate but has shown a clear upward trajectory. AUM, which had declined for two consecutive years ; falling from Rs 1,977 crore in FY22 to Rs 1,621 crore in FY23, and further to Rs 1,589 crore in FY24 revived in FY25 to Rs 1,694 crore, supported by improved disbursements of ~Rs 915 crore and lower prepayments.

The company registered strong portfolio accretion during 9M FY26, with AUM increasing to Rs 2,036 crore, led by disbursements of Rs 938 crore and significantly lower delinquencies.

The earlier degrowth in FY23–FY24 was primarily caused by elevated prepayments (Rs 600+ crore annually), which offset healthy disbursement momentum. The resumption of AUM growth in FY25 and the sharp uptick in 9M FY26 reflect improved market demand and better loan retention.

**Measured diversification through AIF investments and strategic initiatives:**

The company has adopted a measured diversification strategy by entering into Alternate Investment Funds (AIFs). It has committed Rs 25 crore to a hospitality-focused hybrid fund (80% equity and 20% debt) and plans to invest Rs 50 crore in a real estate debt fund. Additionally, the company is exploring inorganic growth opportunities and has received in-principle approval to co-sponsor AIFs in hospitality and real estate. This approach allows TFCI to expand its investment avenues while remaining aligned with its core competencies.

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**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 three decades. TFCIs AUM is geographically well spread across India. Mr. Anoop Bali, Managing Director, is experienced finance personnel with over three decades of experience and takes care of day-to-day operations.

**Key Rating Weaknesses**

**Inherent risks associated with NBFCs coupled with intense competition:**

TFCI's loan portfolio is moderately diversified, as on 31 December 2025 with the largest exposure in hotels at 54%, followed by real estate at 16% and manufacturing at 11%. Other segments include infrastructure and social infrastructure (6%), loans against securities (5%), NBFC exposure (4%), and ARC/other exposures (4%). Geographically, the portfolio is concentrated in key states such as Uttar Pradesh, Maharashtra, Gujarat, Delhi, and Karnataka, which together account for the bulk of its exposure.

While TFCI has gradually extended its lending to sectors such as manufacturing, MSME, and real estate, product diversification remains limited, with tourism and hospitality continuing to remain dominate in their total portfolio. This concentration exposes the company to cyclical risks associated with hospitality and real estate, as well as prepayment and refinancing risks that could influence loan growth. These risks are mitigated through TFCI's secured lending approach, conservative underwriting standards, strong recovery record, and adequate provisioning buffers, supporting financial stability and disciplined portfolio management.

**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)**

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**Liquidity: Strong**

TFCI has strong liquidity with a total CRAR of 58.13% and a net worth of Rs 1254.33 crore with a gearing of 0.75x in 9MFY26. TFCI also has an adequately matched ALM profile with no negative cumulative mismatches across various buckets as on 31 December, 2025 . Apart for this, TFCI has a liquidity in the form of cash and cash equivalent of Rs 86.75 crore as on 31 December 2025, which provides additional liquidity comfort.

**About the company**

Incorporated in 1989 TFCI) is a Delhi-based NBFC-ML, with over three decades of experience in financing the tourism and hospitality sector. The company operates a niche secured wholesale lending model, with a diversified presence across real estate, manufacturing, and select NBFC exposures, while maintaining strong expertise in project financing and structured lending. The company is listed, with a widely dispersed shareholding, wherein promoters primarily LIC and The Oriental Insurance Company hold a modest 3.85% stake.

**Financials (Standalone)*:** **Rs in Crores**

| For the year ended/As on* | 31-03-2024 | 31-03-2025 |
|---|---|---|
| | (Audited) | (Audited) |
| Total Income | 241.86 | 251.63 |
| PAT | 91.11 | 103.81 |
| Assets Under Management | 1,555.87 | 1,655.87 |
| Tangible Net worth | 1,089.43 | 1,216.26 |
| Total debt | 977.66 | 862.41 |
| Ratios | | |
| NIM (%) | 6.05 | 6.64 |
| Overall Gearing (Times) | 0.90 | 0.71 |
| Total CRAR (%) | 59.01% | 69.70% |
| Gross NPA (%) | 2.75% | 3.22% |
| Net NPA (%) | 1.51% | 1.61% |
| Interest coverage (Times) | 2.13 | 2.19 |

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***Classification as per Infomerics' standards**

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: Not applicable**

**Rating History for last three years:**

| Sr. No. | Type of Facilities/Instrument | Current Ratings (Year 2025-26) | | | Rating History for the past 3 years | | |
|---|---|---|---|---|---|---|---|
| | | Tenure | Amount outstanding (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2024-25 | Date(s) & Rating(s) assigned in 2023-24 | Date(s) & Rating(s) assigned in 2022-23 |
| 1 | Term Loan | Long Term | 54.55* | IVR AA-/Stable | IVR A+/Stable (25 March 2025) | - | - |
| 2 | NCDs | Long Term | 175.00 | IVR AA-/Stable | - | - | - |
| 3 | Proposed Term Loans | Long Term | 245.45 | IVR AA-/Stable | - | - | - |
| 4 | Proposed CPs | Short Term | 100.00 | IVR A1+ | IVR A1+ (25 March 2025)<br><br>IVR A1+ (25 July 2024) | - | - |
| | Total | | 575.00 | | | | |

*There has been a decrease in outstanding term loans due to regular repayments; accordingly, a balance of Rs 20.45 crore has been reclassified and adjusted against the proposed term loans*

**Analytical Contacts:**


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|---|---|
| Name: Amey Joshi<br>Tel: (022) – 6239 6023<br>Email: amey.joshi@infomerics.com | Name: Jayshree Purohit<br>Tel: (022) – 6239 6023<br>Email: jpurohit@infomerics.com |

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**About Infomerics:**

Infomerics Valuation and Rating 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.

**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 1: Details of Facilities**

| Name of Facility/Instrument | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook | Listing status |
|---|---|---|---|---|---|---|
| Term Loans | - | - | Upto March 2028 | 54.55 | IVR AA-/Stable | Not Applicable |

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|---|---|---|---|---|---|---|
| | | | | (Reduced from Rs 75.00 crore) | | |
| NCD (ISIN: INE305A09216) | 25-Feb-2013 | 9.60 | 25 Feb 2028 | 100.00 | IVR AA/Stable | Listed |
| NCD (ISIN: INE305A09208) | 25 Feb 2013 | 9.65 | 25 Feb 2033 | 75.00 | IVR AA/Stable | Listed |
| Proposed Term Loans | - | - | - | 245.45 | IVR AA-/Stable | Not Applicable |
| Proposed CPs | - | - | - | 100.00 | IVR A1+ | Proposed to be listed |
| **Total** | | | | **575.00** | | |

**Annexure 2: Facility wise lender details**
https://infomericstorage.blob.core.windows.net/uploads/Len_Toursim_Finance_24mar26_22e400448a.pdf

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities: The covenants mentioned below apply to all NCDs rated by Infomerics -** ISIN: INE305A09216 & INE305A09208

| **ISIN** | **INE305A09216** |
|---|---|
| **Issue Size** | Rs 100 crore (Series MB XLVI-B) |
| **Security Name** | 9.60% Tourism Finance Corporation of India Limited 24 Feb 2028 |
| **Issuer** | Tourism Finance Corporation of India Limited (TFCI) |
| **Type of Instrument** | Unsecured Redeemable Non-Convertible Bonds (Promissory Notes) – Series MB XLVI-B |
| **Type of Issue** | Private Placement |
| **Object of the Issue** | Augmenting fund requirements for regular business activities and repayment of debt obligations |
| **Coupon Rate** | 9.60% p.a |
| **Coupon Type** | Fixed |
| **Tenor** | 15 years from Deemed Date of Allotment (25 Feb 2013 → 25 Feb 2028) |
| **Issue Date / Allotment** | 25-Feb-13 |
| **Maturity** | 24/25 February 2028 (both referenced; redemption date 25 Feb 2028) |
| **Financial Covenants** | Additional 2% p.a. interest for payment default; 1% p.a. penal rate for listing delay; repayment obligations as per trust deed |

| | |
|---|---|
| **Non-Financial Covenants** | Timely disclosures, listing compliance, trustee obligations, execution of transaction documents, reporting requirements, event-of-default clauses |

| | |
|---|---|
| **ISIN** | **INE305A09208** |
| **Issue Size** | Rs 75 crore (Series MB XLVI-C) |
| **Security Name** | 9.65% Tourism Finance Corporation of India Limited 25 Feb 2033 |
| **Issuer** | Tourism Finance Corporation of India Limited (TFCI) |
| **Type of Instrument** | Unsecured Redeemable Non-Convertible Bonds (Promissory Notes) – Series MB XLVI-C |
| **Type of Issue** | Private Placement |
| **Object of the Issue** | Augmenting fund requirements for regular business activities and repayment of debt obligations |
| **Coupon Rate** | 9.65% p.a. |
| **Coupon Type** | Fixed |
| **Tenor** | 20 years from Deemed Date of Allotment (25 Feb 2013 → 25 Feb 2033) |
| **Issue Date / Allotment** | 25-Feb-13 |
| **Maturity** | 25-Feb-33 |
| **Financial Covenants** | 2% p.a. default interest; penal interest for listing delay; adherence to obligations under debenture trust deed |
| **Non-Financial Covenants** | Mandatory disclosures, compliance with listing and trustee requirements, execution of transaction documents, event-of-default conditions |

**Draft term sheet for proposed CPs:**

| | |
|---|---|
| **Proposed Date Of Issue** | TBD |
| **Issue Reference** | Commercial Paper |
| **CP Issuance Amount During The Calender Is 1000cr Or More** | Not Applicable |
| **Discount Rate** | 8.50% p.a |
| **Period** | Upto 364 days |
| **Issue Size (Maturity Value)** | Rs.100 Crore |
| **Issue Size (Subscription Value)** | Rs. 92.1856 Crore |
| **Issue Size (Maturity Value ) Per Unit** | Rs. 5,00,000/- per unit |
| **Issue Size (Subscription Value) Per Unit** | Rs. 4,60,928./- per unit |
| • **CONDITIONS (If Any)** | NIL |
| • **Exact Purpose Of Issue Of Cp** | Working Capital requirement. |
| • **CREDIT SUPPORT (If Any)** | NIL |
| **Description Of Instrument** | Commercial Paper |
| • **Issued By** | TFCI |
| • **In Favour Of** | Issuer of CP/Holder of CP |

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| | |
|---|---|
| **Issuing And Paying Agent** | State Bank of India |
| **Listed/Non Listed** | Listed |

**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.