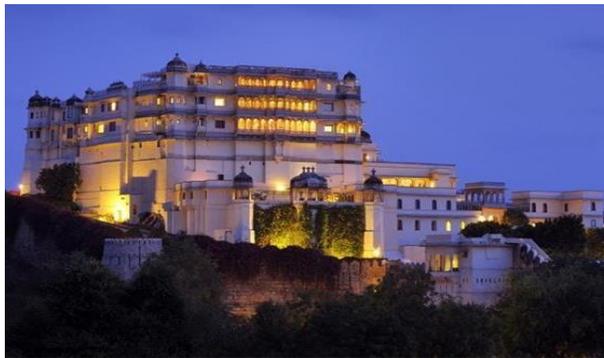




Tourism Finance Corporation of India Ltd.

helping tourism grow

Q1FY20 – Investor Presentation





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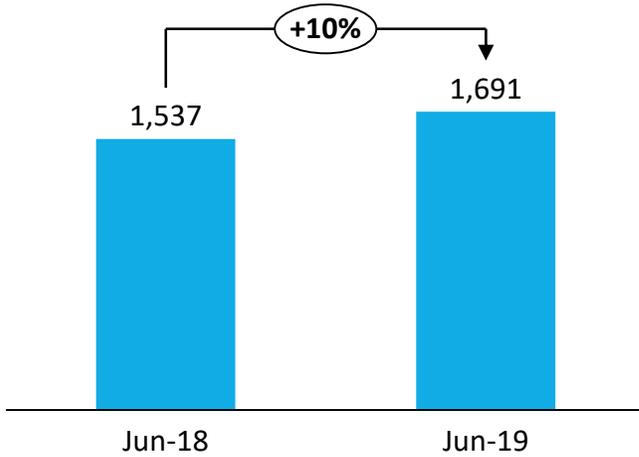
Certain statements contained in this presentation that are not statements of historical fact constitute “forward-looking statements.” You can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “goal”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “will”, “would”, or other words or phrases of similar import. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, among others: (a) our ability to successfully implement our strategy, (b) our growth and expansion plans, (c) changes in regulatory norms applicable to the Company, (d) technological changes, (e) investment income, (f) cash flow projections, and (g) other risks.

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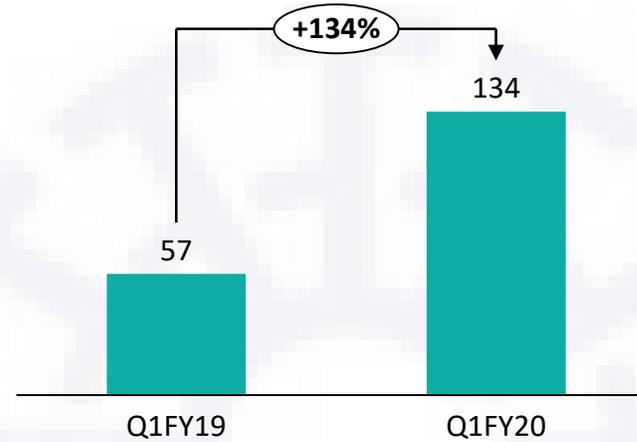
Q1FY20 - Financial Highlights



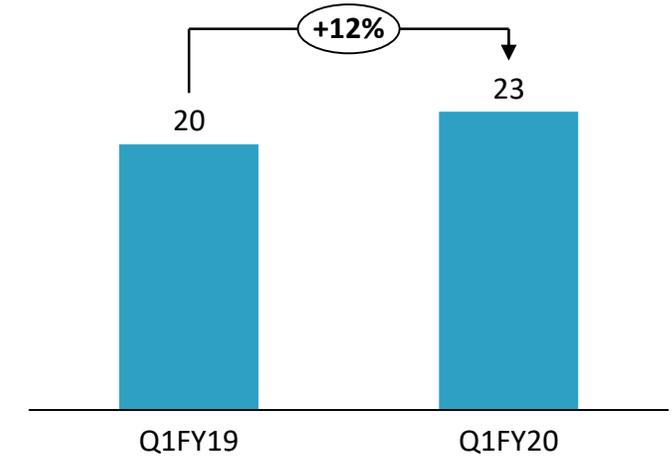
Loan Book (Rs. In Crs)



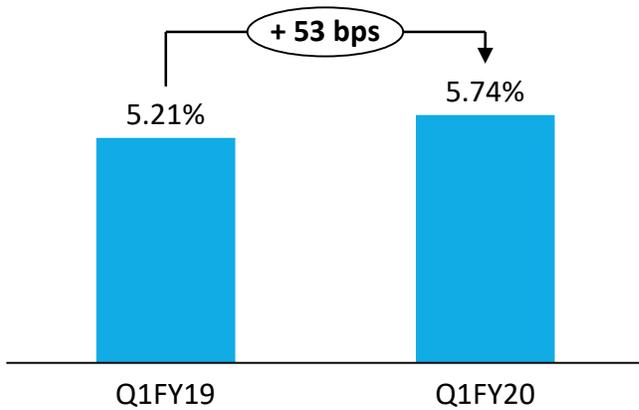
Disbursements (Rs. In Crs)



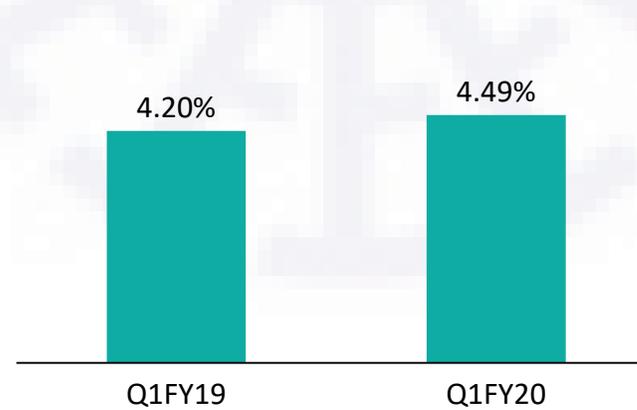
PAT (Rs. In Crs)



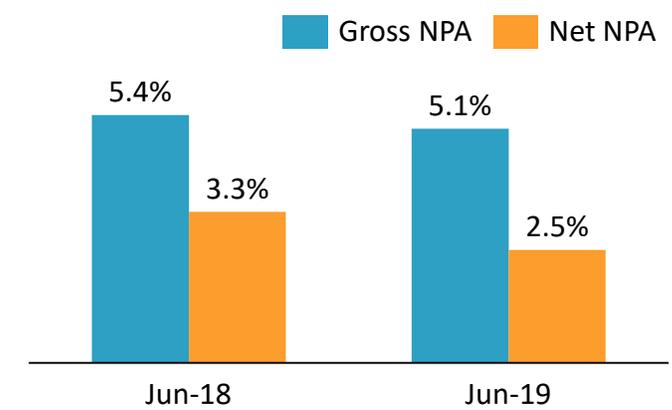
NIMs (%)



ROA (%)



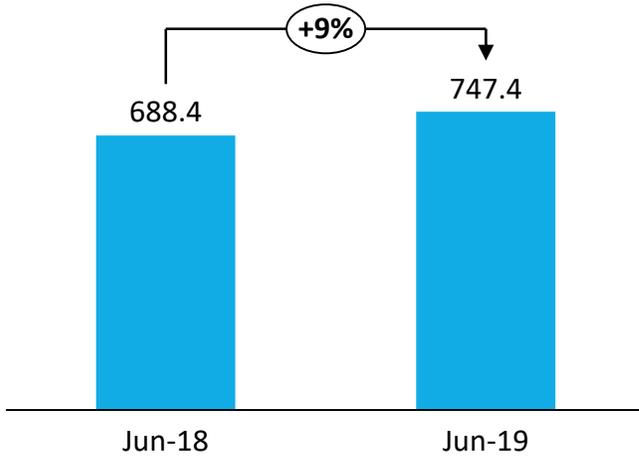
Gross NPA & Net NPA (%)



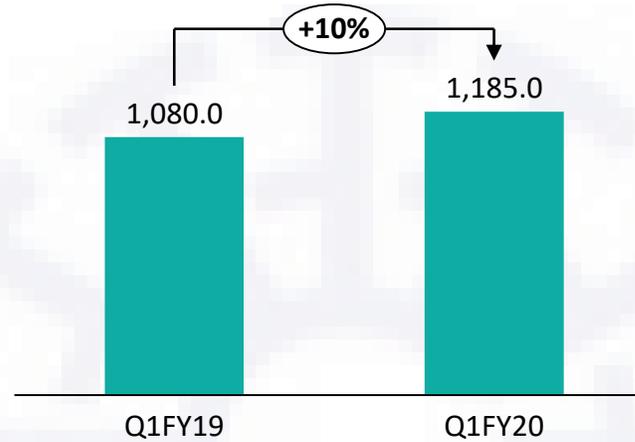
Q1FY20 - Financial Highlights



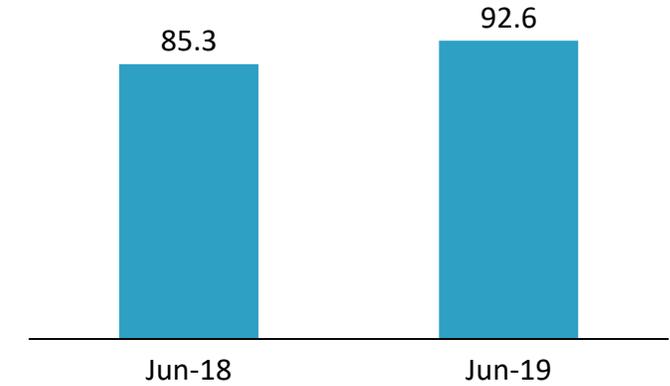
Networth (Rs. In Crs)



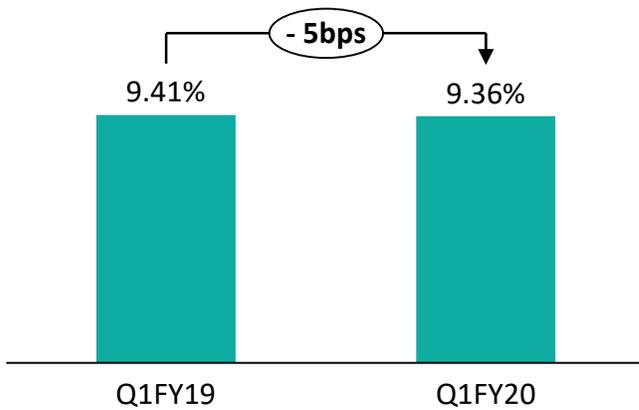
Borrowings (Rs. In Crs)



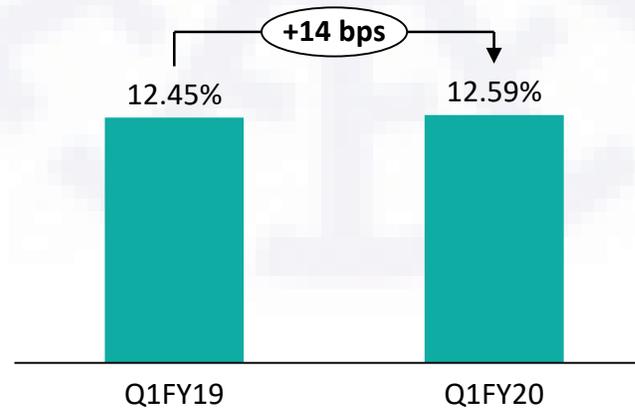
Book Value per Share (Rs.)



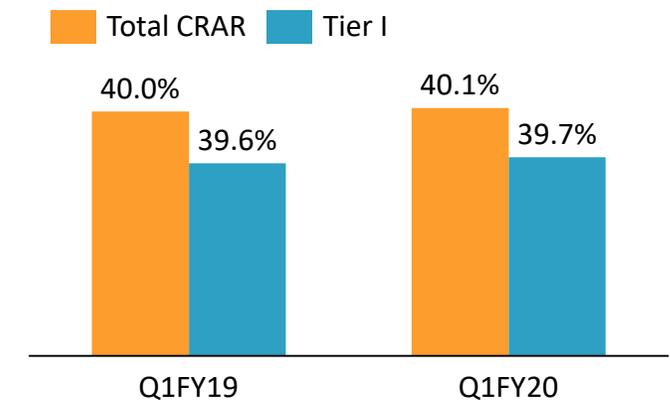
Cost of Borrowings (%)



Yield (%)



Capital Adequacy Ratio (%)





Commenting on the results and performance, Mr. Anirban Chakraborty, Managing Director said:

“It gives us pleasure to inform you all that your Company reported steady performance despite depressed market conditions and liquidity crisis for the last few months. Our disbursement grew substantially to Rs. 134 crs. and Profit after Tax grew by 12% to Rs. 23 crs (YoY basis). We have been able to show a growth in our loan book inspite of slowdown in the sector.

We were also able to maintain our Asset Quality and got the rating reaffirmed by various agencies even in these challenging times and proactively have made more than adequate provisions against our stressed assets. The Company is well capitalized with a CRAR of 40% with Tier I ratio of 39.7% as against regulatory requirement of 15%. The ROA of 4.49% and ROE of 12% are aligned with our overall performance.

While tourism financing will be our main focus, your Company will be looking out for various financing options for diversifying for growth and also has set up a separate subsidiary to pursue Investment Banking practise to enhance the fee-based incomes.

The Company intends to grow its balance sheet size by pursuing the emerging opportunities which would enable us to leverage its capital and thereby improve return on equity.”

Profit & Loss Statement



Particulars (Rs. In Crs.)	Q1FY20	Q1FY19	Y-o-Y	FY19
Income				
Interest Income	58.0	51.6		211.3
Interest Expense	28.8	26.3		104.4
Net Interest Income	29.3	25.3	15.7%	107.0
Other Income	4.6	6.2		25.0
Net Total Income	33.9	31.5	7.6%	131.9
Expenditure				
Employee Expenses	2.6	2.1		10.6
Depreciation and amortization expense	0.1	0.1		0.4
Other Expenses	1.6	1.4		7.3
Total Expenditure	4.3	3.5	22.4%	18.3
Profit Before Tax	29.6	28.0	5.8%	113.6
Tax	6.7	7.6		27.4
Profit After Tax	22.9	20.4	12.4%	86.3
Other Comprehensive Income	-0.1	0.0		-0.1
PAT after OCI	22.8	20.4	11.6%	86.1
EPS	2.84	2.53		10.69

Credit Rating Reaffirmed

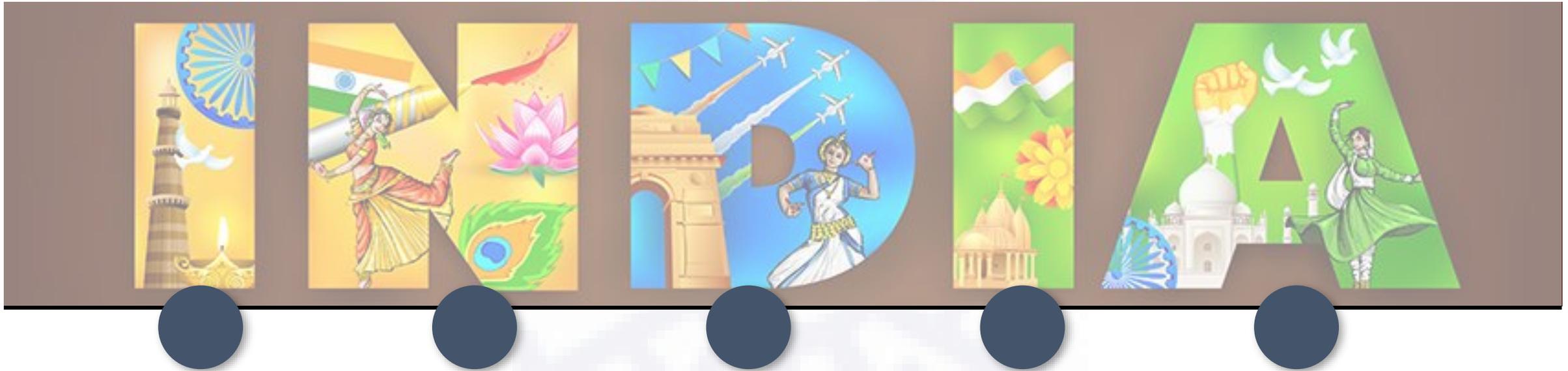


Rating Agency	Rating Agency (Rs. In Crs)			Rating Action
	Long Term Bonds	Bank Borrowings	Commercial Paper	
CARE	A+ Outlook: Stable (781.50)	-	A1+ (100.00)	Reaffirmed*
ACUITE	AA- Outlook: Stable (300.00)	-	-	Reaffirmed*
Brickwork	AA- Outlook: Negative (941.24 present outstanding 841.24)	AA- Outlook: Negative (400.00)	-	Reaffirmed*

*In July 2019



TFCI, as a specialised financing institution, has contributed significantly in terms of creation of tourism infrastructure throughout the country and thereby generating direct employment opportunities



Specialized tourism lending Institution

Successfully played the role of investment catalyst for the tourism sector and has contributed significantly in terms of creation of tourism infrastructure

Pioneer in taking new projects such as Palace On Wheels, Heritage Renovation projects, Entertainment Centres, Waterparks, Ropeways etc.

Long term lender and executed many prestigious assignments for the Ministry of Tourism, Govt. of India, State Govts., Private sector etc.

Excellent execution capabilities of broad-based assignments through coordinated networking with various organizations and reputed panel of Architects/ Engineers/ Valuers etc.



1. Track record of 30 years

- Assisted more than 899 projects till 30.06.2019
- More than 40% of the room capacity in star category hotels, have been created with assistance from TFCI

3. Strong Financial Performance

- Growth Capital in place with Tier I Ratio of over 38%
- Underleveraged Balance sheet
- Strong business pipeline



5. Eminent Board of Directors and Experienced Management Team

- Eminent Members on the Board with diverse experience
- New Leadership Team with strong experience to drive growth

2. Strong Business Proposition

- Dominance in Niche Segment
- Ability to add value through advisory – Fee income potential
- Pioneer in taking innovative projects like Palace on Wheels, Heritage Renovation projects, Entertainment Centres, Waterparks, Ropeways etc

4. High Growth Potential

- Diversified Product Offerings across Growth Sectors in India which has tremendous potential giving us enough opportunities to grow



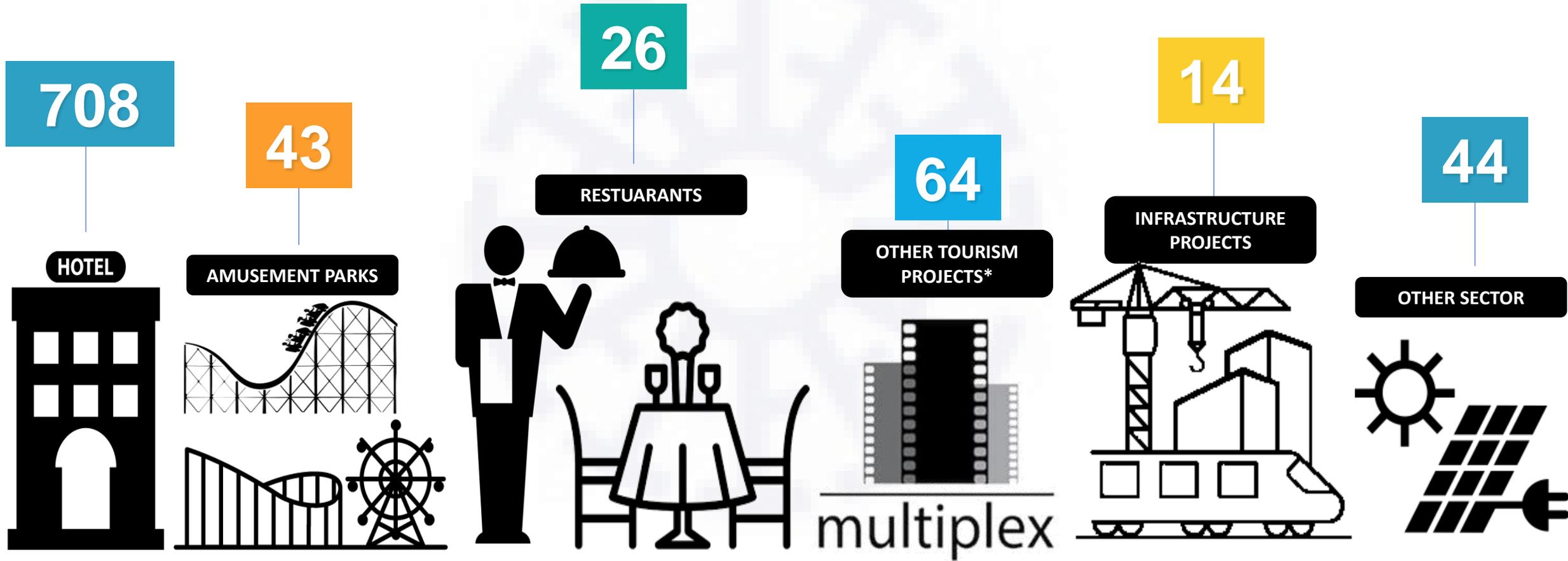
Track Record of 30 Years

1. Track Record of 30 Years..



899

Cumulative Projects Sanctioned by TFCI



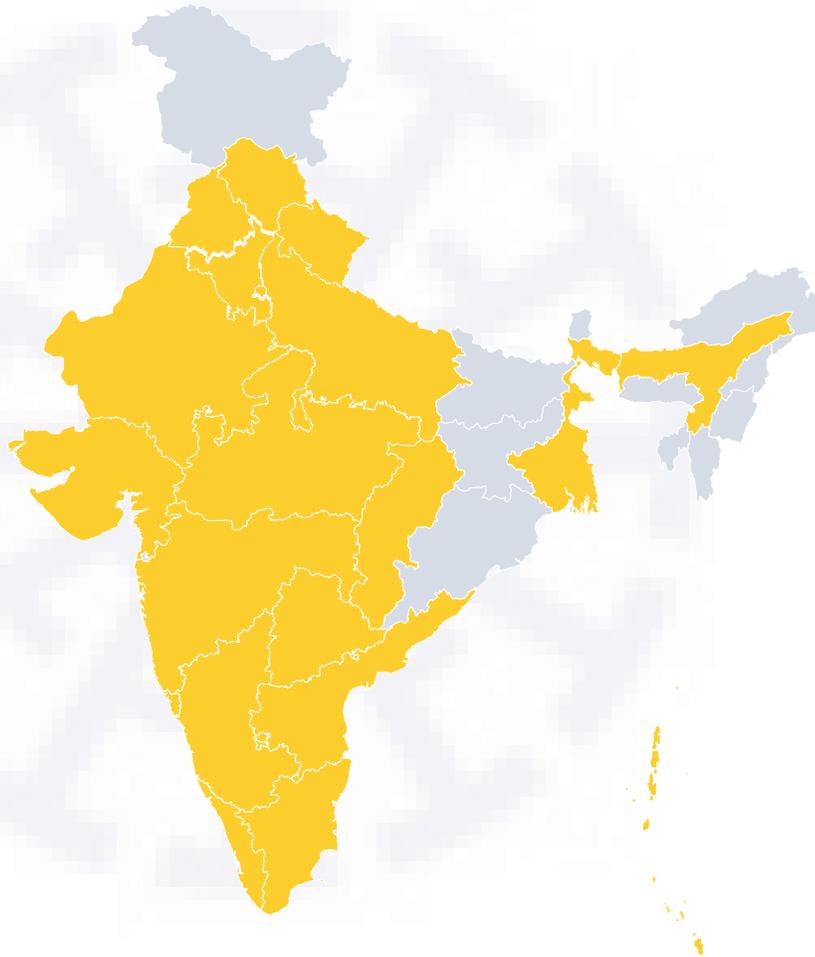
*Includes Travel Agencies and Tour Operation Projects

...with Multiple Project sanctions



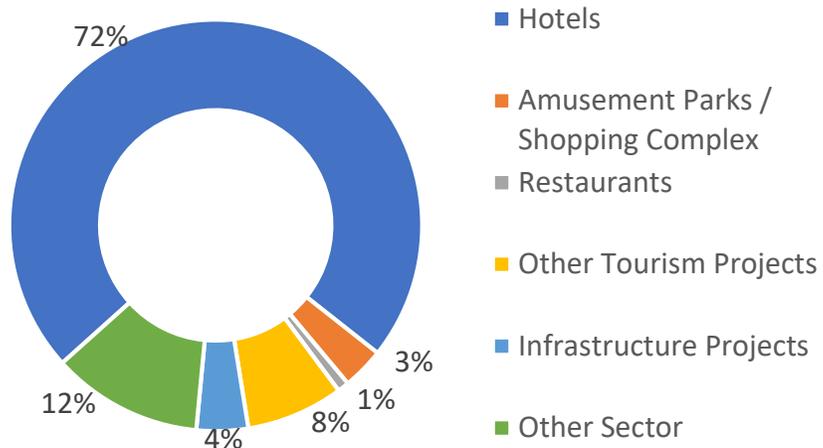
Particulars	Projects	Rs. Crores
Cumulative Sanctioned	899	11,493
Cumulative Disbursement	542	7,078
Cumulative Closed	460	5,348
Cumulative Write-offs	8	39
Outstanding Projects as on date	74	1,691

PAN India Presence



State/Cities	# Projects
Maharashtra	12
Uttar Pradesh	7
Gujarat	6
Delhi	7
Madhya Pradesh	8
Haryana	4
Rajasthan	6
Punjab	3
Tamil Nadu	3
Karnataka	4
Andhra Pradesh	3
Telangana	1
Kerala	2
Himachal Pradesh	1
Uttarakhand	2
Andaman & Nicobar	1
Assam	1
Goa	1
Chhattisgarh	1
West Bengal	1
Total	74

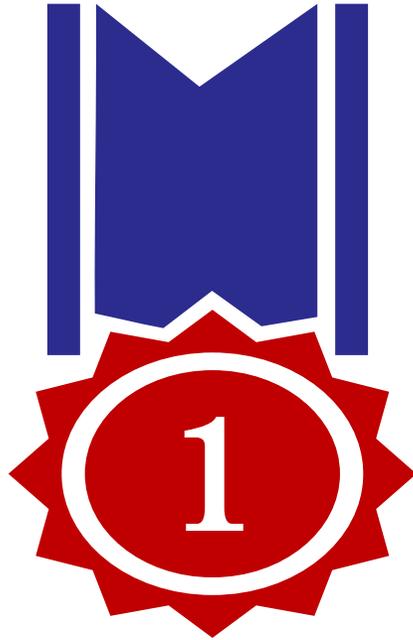
Cumulative Sanctioned (% of Value)



As on 31st March 2019

Note: Map not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness

...with many Firsts to our Credit



Every third room
in the
approved category hotels
is
Funded by TFCI

~51,444 rooms

FIRST Dedicated Institution to Cater to the needs of Tourism Industry

FIRST Institution to study the Carrying Capacity of a National Park

FIRST Institution to organise a National Seminar on Hotel Project Management

FIRST Institution to Fund Innovative Tourism Projects like: Luxury Trains, Theme parks, SPA/Wellness Centre, Dolphinarium, Chain of Restaurant

FIRST Institution to carry out a Study on Hotel Accommodation needs of India way back in 1990's

FIRST Institution to carry out a study of Safety benchmarks of Hotel Industry



Strong Business Proposition

2. Strong Business Proposition



**Tourism Project
Financing**



Other Financing



**Fee Based Advisory
Services**

... with strong expertise developed in 30 years



- › Dedicated team providing consultancy services to facilitate identification, conceptualization, promotion, implementation, investment, infrastructure augmentation



Sector Understanding and Product Knowledge

- › Established a franchise in financing projects in the niche tourism sector
- › 74 Projects outstanding across 20 states



Pan India Presence of Projects Financed

- › Comfortable capitalisation profile with a gearing of 1.6 times and CRAR of 39.65% as on 30th June 2019



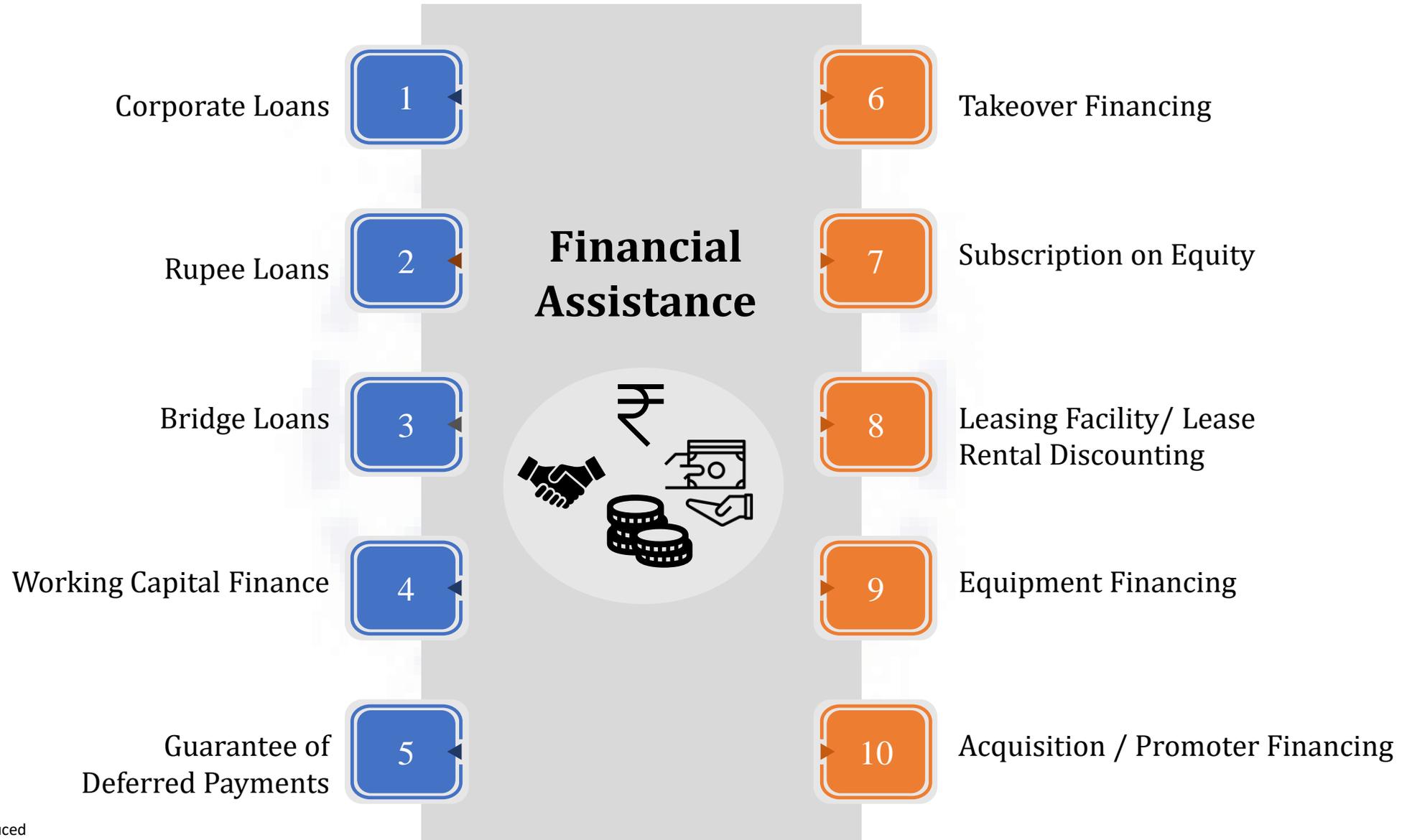
Healthy Capitalisation Profile

- › Follow strict appraisal criteria based on cash flow generation capacity of the project
- › Strong Credit Assessment Mechanism and Risk Management System



High Asset Quality

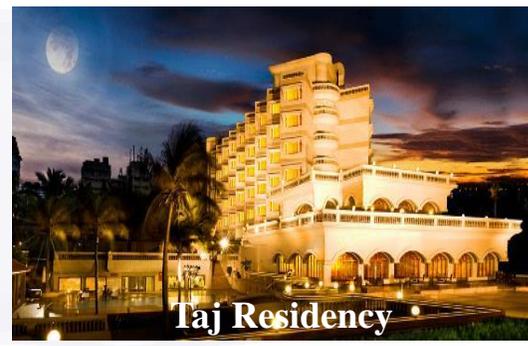
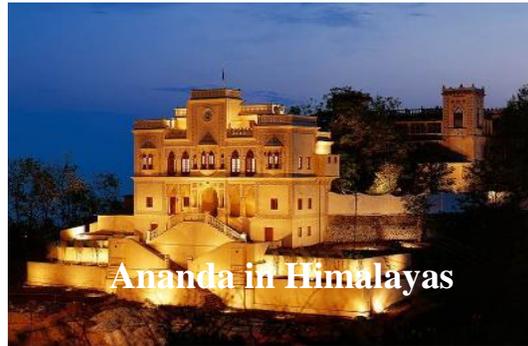
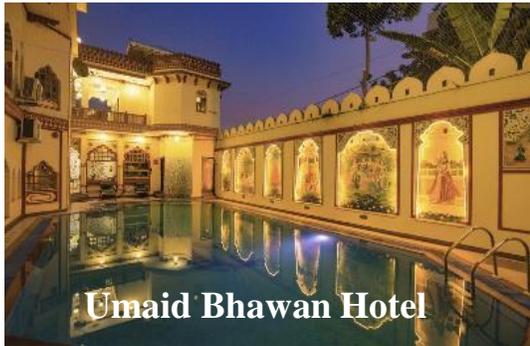
... offering different types of Financial Assistance



Existing Products
New Products being introduced



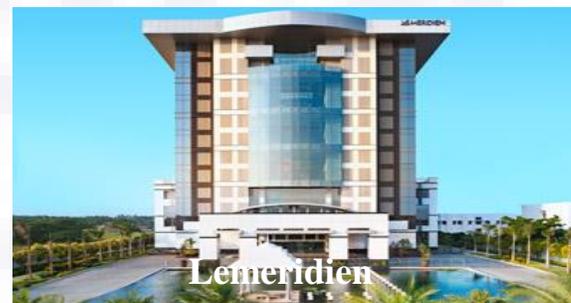
Heritage & 5-Star Hotels



... to marquee projects across India



4-Star Hotels & Amusement Park

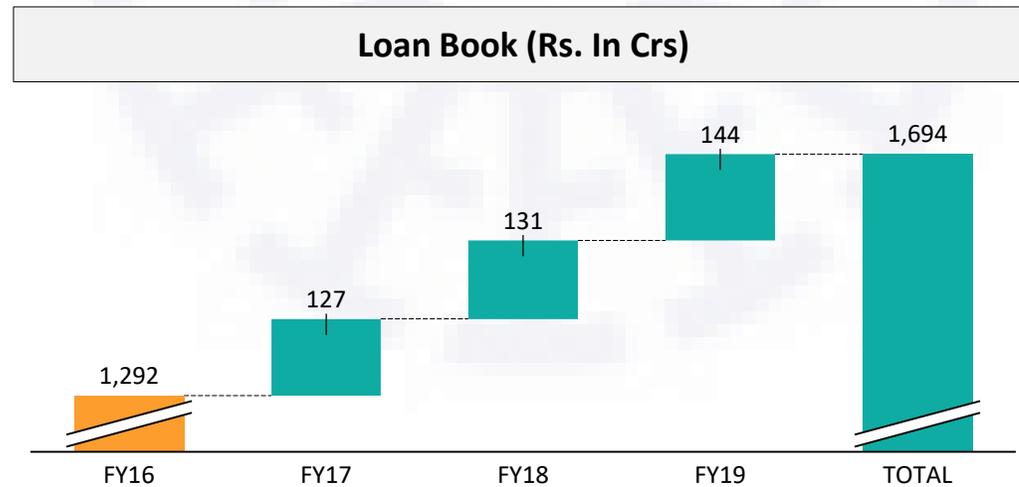
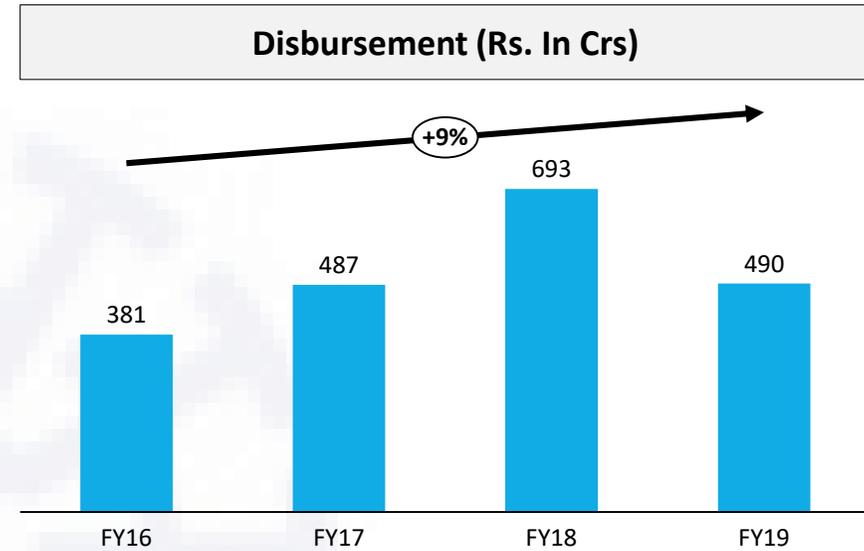
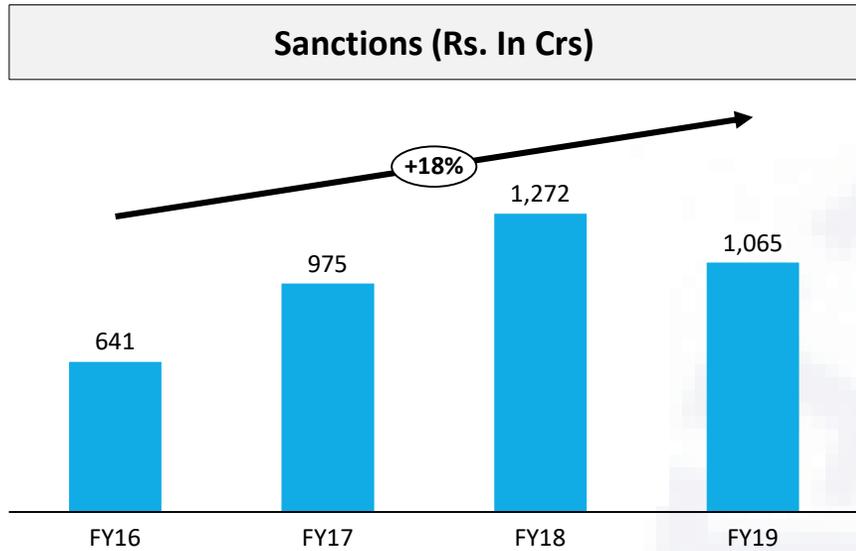


We have Funded Innovative Business Projects in the Country



Strong Financial Performance

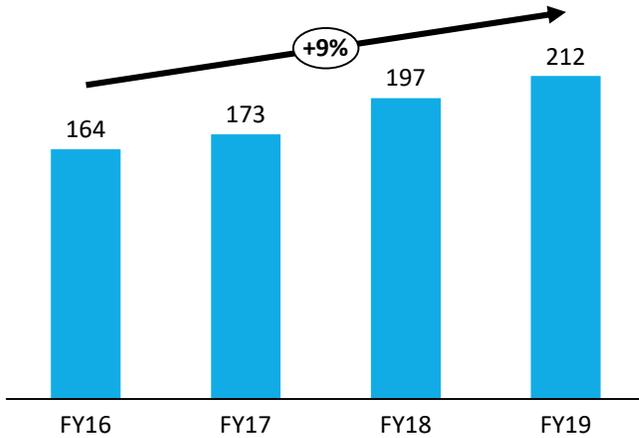
3. Strong Financial Performance



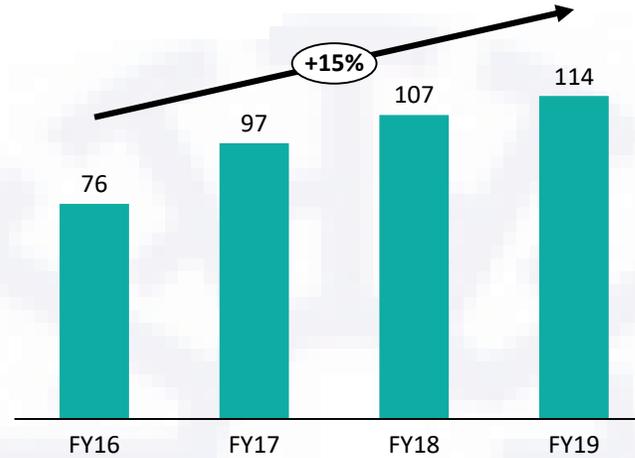
...with improving Operating Performance



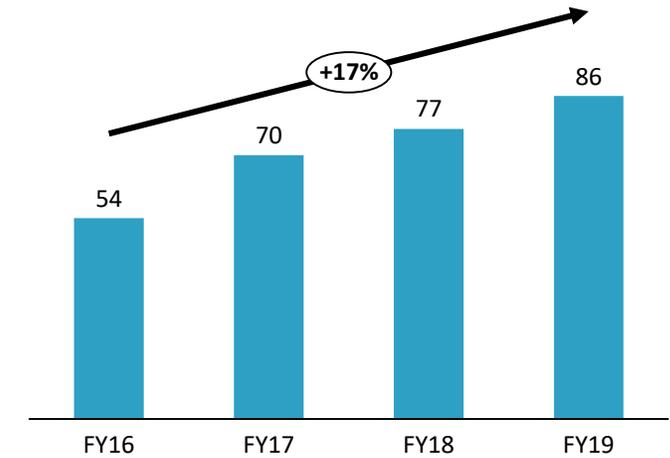
Interest Income (Rs. In Crs)



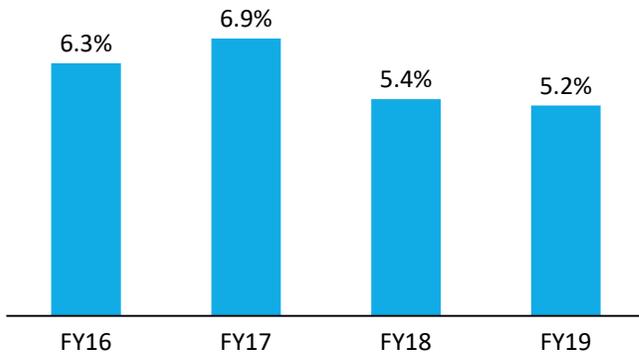
PBT (Rs. In Crs)



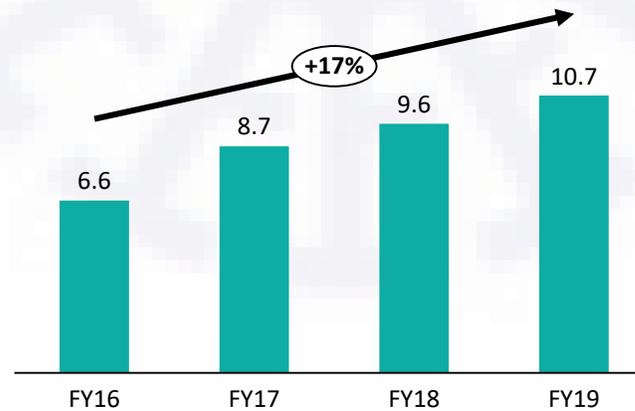
PAT (Rs. In Crs)



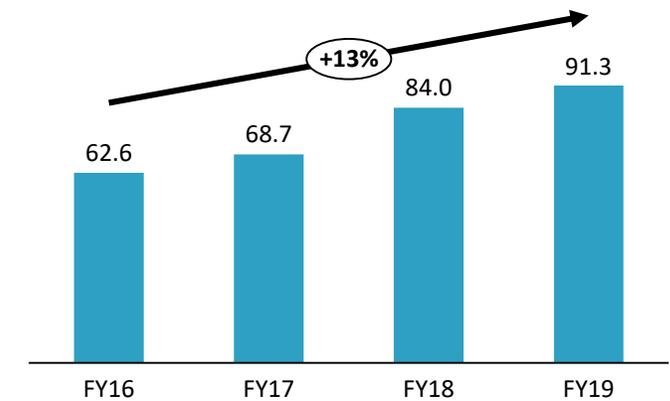
NIMs (%)



EPS (Rs.)



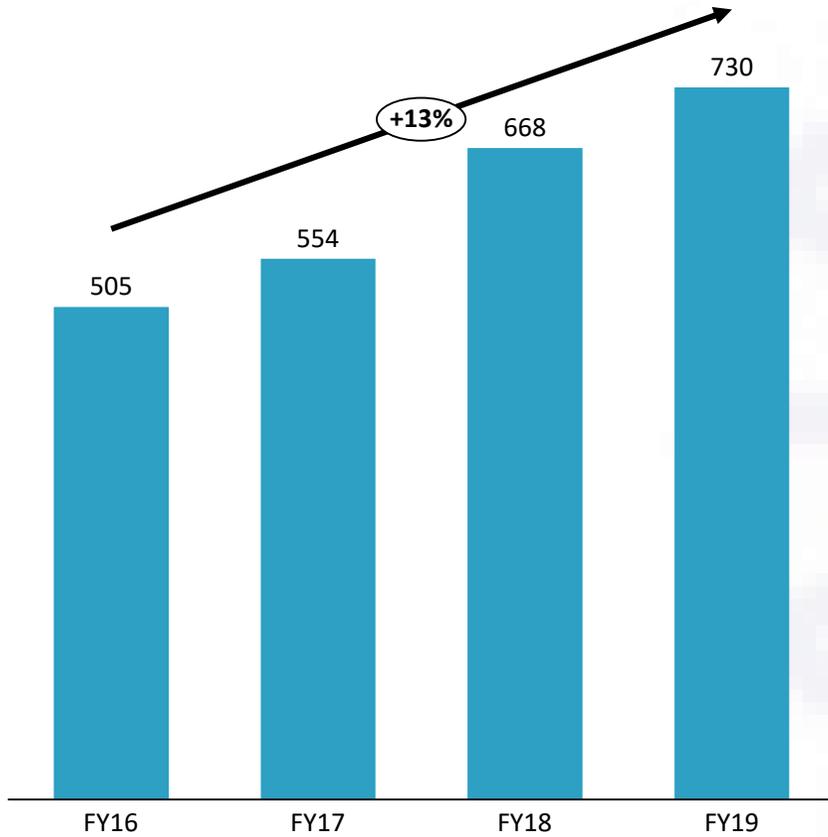
Book Value (Rs.)



... well Capitalized to deliver Growth



Tangible Networkw (Rs. In Crs)



Capital Adequacy Ratio (%)





High Growth Potential



4. High Growth Potential..



01

Travel and tourism industry direct contribution to GDP **US\$ 234 billion** (9.4% of total GDP) in 2017



02

World Economic Forum (WEF) - **India was ranked 12th** in the Asia Pacific region and 40th overall in the list of the world's attractive destinations



03

It is expected that the hotels industry is expected to fall short of meeting the long term **demands** of an economy **growing at about 7% p.a.**



04

Around **40 international brands** are said to enter the country in the next five years (as per Cygnus estimates)



05

During the period April 2000-December 2018, the hotel and tourism sector attracted around **US\$ 12 billion of FDI** by DPIIT

- FTAs during 2017 were 10.6 million, with a growth of 3.5% YoY

- FEEs from tourism were US\$ 28.6 billion, with a growth of 4.7% YoY

Growth Drivers:

Introduction of e-visa for foreign tourists, Domestic economy improving a rise in online competition like OYO, makemytrip.com, Cleartrip.com etc



Initiatives planned by the Government of India to give a boost to the tourism and hospitality sector of India :



The Government of India is working to achieve **1% share in world's international tourist arrivals by 2020 (20Mn Foreign Tourists)** and **2% share by 2025**



Under Budget 2019-20, the **government allotted Rs 1,160 crore (US\$ 160.78 million)** for development of tourist circuits under Swadesh Darshan



Tourism & hospitality sector's direct contribution to GDP in 2017, was Rs.5.94Trn (US\$91.27bn). This is **expected to reach Rs.12.68Trn (US\$194.69 bn)** in 2028, implying a CAGR of 7.23% during 2012-28

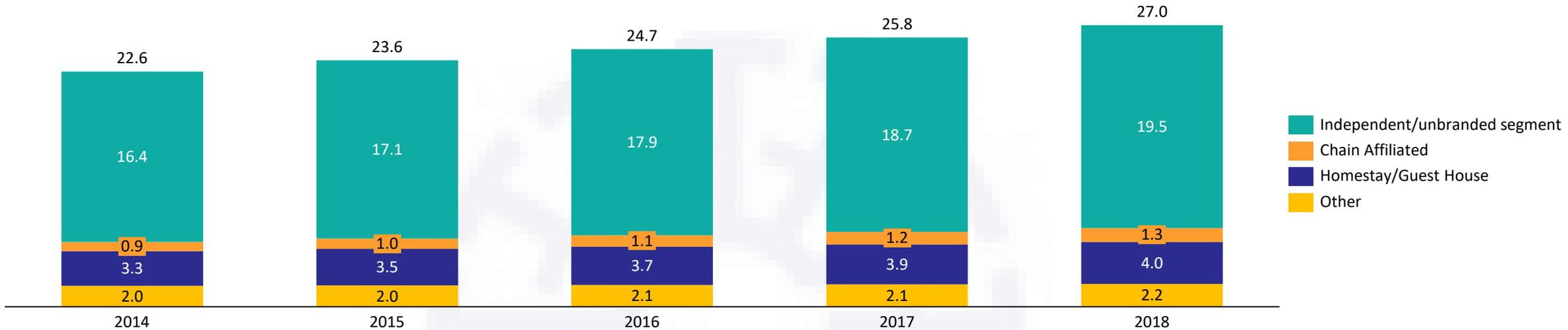
Various Other Government Initiatives:

- A 5-year tax holiday has been offered for 2,3- and 4-star category hotels located around UNESCO World Heritage sites (except Delhi & Mumbai)
- Under the Swadesh Darshan scheme, 15 thematic circuits in the country have been selected for development of tourism infrastructure
- E-visa facility offered to 166 countries, as of December 2018
- The Government of India will develop 10 prominent sites in India into iconic tourist destinations, as per Union Budget 2018-19
- 100 per cent FDI is allowed under the automatic route in tourism & hospitality, subject to applicable regulations & laws

... Hotel Industry a natural beneficiary



Total Rooms (in Lakhs)

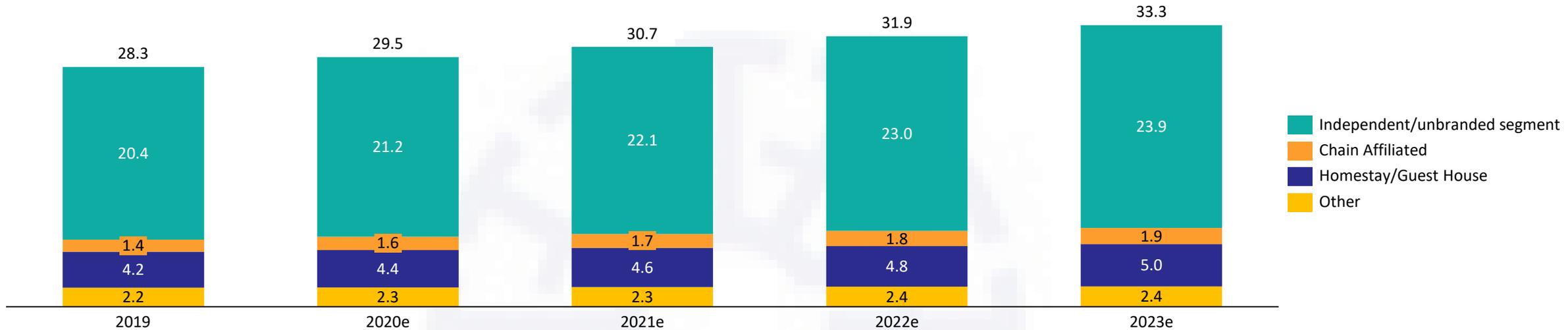


Incremental Room Addition					
	2014	2015	2016	2017	2018
Independent/unbranded segment	75,024	75,387	78,120	83,453	89,714
Chain Affiliated	10,718	10,770	11,160	11,922	12,816
Homestay/Guest House	17,148	17,231	17,856	19,075	20,506
Other	4,287	4,308	4,464	4,769	5,127
Total Room Addition	107,177	107,695	111,600	119,219	128,163

... augmenting its Capacity to address the Opportunity



Total Rooms (in Lakhs)

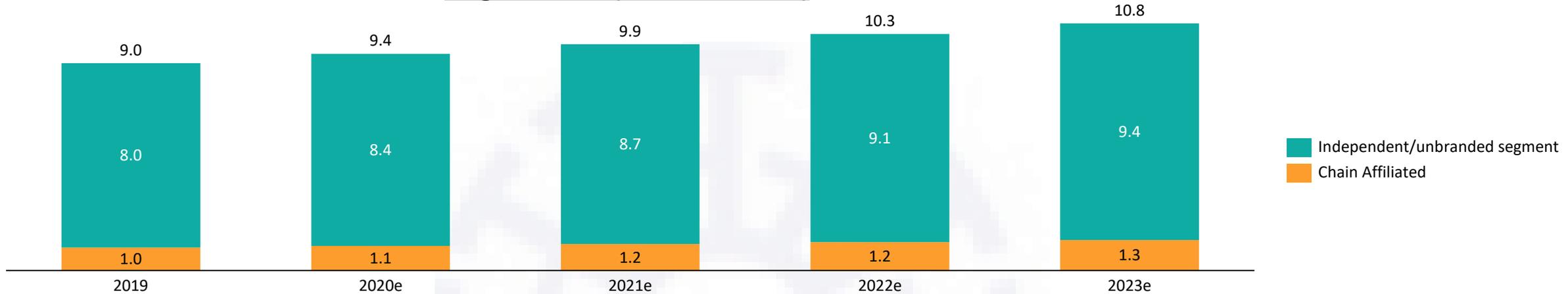


Incremental Room Addition					
	2019	2020	2021	2022	2023
Independent/unbranded segment	80,369	83,668	87,101	90,676	94,397
Chain Affiliated	9,990	10,729	11,523	12,376	13,292
Homestay/Guest House	16,744	17,431	18,146	18,891	19,666
Other	4,521	4,377	4,203	3,996	3,752
Total Room Addition	1,11,624	1,16,205	1,20,974	1,25,939	1,31,107

...TFCI best placed to fund the growth



Target Market (Rooms in '000's)



In Crs	2019	2020	2021	2022	2023
Independent/unbranded segment (Capex – Rs. 15 lakhs / room)	12,055	12,550	13,065	13,601	14,160
Chain Affiliated (Capex – Rs. 75 lakhs / room)	7,493	8,047	8,642	9,282	9,969
Total Capex for Hotels	19,548	20,597	21,707	22,883	24,129

Target Market for Growth: ~5% Market Share

Debt Portion to be used for Capex	13,032	13,731	14,472	15,256	16,086
Equity Portion to be used for Capex	6,516	6,866	7,235	7,577	8,043



Eminent Board
&
Experienced
Management Team



5. Eminent Board of Directors



Anirban Chakraborty

Managing Director & CEO

B.M. Gupta

Whole Time Director

Suman Billa

Nominee Director,
Ministry of Tourism, Gol

Shyam Maheshwari

Director

Naresh T. Jain

Director

**Koppara Sajeeve
Thomas**

Director



Niraj Agrawal

Director



S. Ravi

Independent Director
Chairman of the Board



S C Sekhar

Independent Director



Bapi Munshi

Independent Director



Thankom T Mathew

Independent Director

Key Managerial Personnel...



Mr. Anirban Chakraborty
Managing Director & CEO

Age: 48 Years

Prior Engagement: Deputy CEO of Axis Capital

Education & Qualifications: Mr. Chakraborty is a B.Tech from The University of Kolkata and has done his Post Graduate in Financial Management from University of Mumbai.

Experience: Headed various divisions in Axis Bank from 2003 to 2015, ranging from SME, Corporate debt & capital markets, Relationship Management group, and Structured Finance

He was also associated with IFCI from 1999 to 2003, where he advised corporates across sectors on assignments spanning different product offerings of financial advisory, project appraisal, due diligence, capital restructuring, loan syndication, credit monitoring

He was in Voltas in 1993 where he worked in diverse areas ranging from Business Development, assessing techno feasibility of projects, project implementation

Expertise: Advisory led Investment banking, which comprised advisory practices such as private equity placement, Mergers & Acquisitions and Debt Capital market

Instrumental in building best practices in the domain of sourcing, distribution, risk, underwriting, analytics, technology & human capital....

...Backed by a Strong Team



Mr. B.M. Gupta

Whole Time Director

- Has 42+ years of experience in Banking, Finance, Legal, Management, Accounts and Taxation etc.
- Holds Master Degree in Commerce & Economics, MBA(Finance) from FMS, Delhi and LLB from Delhi University
- He has also been an Associate of the Indian Institute of Bankers.
- Joined TFCI in 1993 as Dy. General Manager & elevated as General Manager, Chief General Manager, Executive Director and currently is Whole-time Director



Mr. Vasan Paulraj

**Executive Director –
Head Investment Banking**

- Has 26+ years of Experience in Investment Banking
- Has handled advisory and ECM transactions of marquee clients and complex, large and innovative transactions
- Prior to TFCI, was MD & Head – PE, SSG and NEG at Axis Capital (17 years)
- Chartered Accountant and B.Com from Mumbai university



Mr. Anoop Bali

President & CFO

- Has 28+ years in the areas of Project Finance, Project Development, Project Monitoring, NPA Management, Risk Management, Accounts & Finance, Treasury, Corporate Advisory, etc
- Has developed expertise in development and financial structuring of tourism related projects
- Chairman of 'Investment Committee of India Enterprise Development Fund (IEDF)' of IFCI Venture Capital Funds Limited and is nominee director on the board of several leading hotel companies in India
- Holds Master's Degree in Business Administration from University of Jammu



Mrs. Charu Singh

Senior Vice President

- Has 22+ years of experience in project finance, appraisals & corporate finance functions with focus on tourism, urban infrastructure & manufacturing sectors
- Joined TFCI in 1997 and has contributed across multiple domains viz. credit appraisals, project monitoring & follow-up, credit risk management, NPA resolution and various consultancy assignments
- Holds an MBA(Finance) degree and is a qualified Cost Accountant (ICWAI). She is also an associate of Institute of Bankers (CAIIB)

Industry seniors have been identified for key positions and will be joining in next few months



TFCI 2.0

To Capture the
Large
Opportunity across
Diversified
Businesses





TFCI 1.0

- Highly capitalized NBFC, i.e. an underleveraged balance sheet
- Diversified, granular, moderate loan book backed by high collateral security
- Lean cost structure with minimal legacy risk
- Long-duration, low-cost liability profile
- Ubiquitous with travel & tourism financing in India
- Travel & Tourism asset-quality cycle has turned around

TFCI 1.0

TFCI 2.0

**Product Diversification
+
Efficiency
=
Higher & Better Returns**

TFCI 2.0

- Sweating of Network
- Blend of high quality investment grade and high-yield lending
- Exploit the synergies in the ecosystem
- Diverse borrowing book (Term Loan + CC + NCD + ECB)
- Leverage the sector expertise of Travel & Tourism and expand in other sectors in India
- New avenues of growth : Structured finance, Acquisition finance, MSME project finance, Equipment finance
- Investment Banking

Long Term Vision



We at TFCI shall create a Long-term sustainable value for Shareholders, be Customer Centric, honour all our Commitments, set a benchmark in Corporate Governance and be a Great Place to Work for Employees

Diversifying for Growth





Financial Performance



Financial Performance Summary



Rs. Crores	2015-16	2016-17	2017-18	2018-19
	(Audited)	(Audited)	(Audited)	(Audited)
Sanctions	640.7	974.8	1272.3	1064.65
Disbursements	380.56	487.37	692.98	490.42
Profit before tax	75.68	97.02	106.98	113.64
Profit after tax	53.61	70.43	77.48	86.25
Dividend	18%	20%	20%	22%
Equity share capital	80.72	80.72	80.72	80.72
Reserves and surplus	424.14	473.53	597.47	656.19
Tangible Net worth	504.86	554.26	668.07	729.68
Earnings per share(Rs.)	6.64	8.73	9.6	10.69
Book Value(Rs.)	62.55	68.66	84.02	91.3
Debt: Equity Ratio	1.86:1	1.91.:1	1.61:1	1.76:1
CRAR(%)	37.82	39.03	39.9	39.01
Gross NPAs	158.85	81.12	33.3	87.14
Gross NPAs(%)	12.3	5.72	2.15	5.14
Net NPAs	130.08	43.02	1.22	47.62
Net NPAs(%)	10.07	3.03	0.08	2.81
Net Interest Income	163.63	173.44	197.05	211.6
Loan Book	1291.92	1419.26	1550.16	1693.82
Return on Loans & Advances	12.30%	12.31%	12.18%	12.35%
Cost of Borrowings	9.60%	9.59%	9.48%	9.42%
NIM	6.26%	6.87%	5.37%	5.21%

Thank You



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