

25th Annual Report 2013-14



Tourism Finance Corporation of India Limited
An IFCI Initiative



BOARD OF DIRECTORS*

Shri Malay Mukherjee	Non-Executive Chairman
Shri S.K. Sangar	Managing Director
Shri Sanjeev Kumar Jindal	Nominee Director, Ministry of Finance, Govt. of India
Smt. Usha Sharma	Nominee Director, Ministry of Tourism, Govt. of India
Shri Niraj Agarwal	Representing LIC of India

INDEPENDENT DIRECTORS

Shri S. Ravi
Shri V.P. Singh
Shri Vivek Nair
Shri S. Sridhar

CHIEF FINANCIAL OFFICER

Shri B.M. Gupta

COMPANY SECRETARY

Shri Sanjay Ahuja

STATUTORY AUDITORS

M/s V.C. Gautam & Co.
Chartered Accountants, New Delhi

REGISTRAR AND TRANSFER AGENT

MCS Share Transfer Agent Ltd.
F-65, First Floor, Okhla Industrial Area Phase-I, New Delhi-110020
Phone:+91-11-41406149/51/52 Fax:+91-11-41709881 E-mail :admin@mcsdel.com

REGISTERED OFFICE

IFCI Tower, 61, Nehru Place, New Delhi-110 019
Phone: +91-11-41732000, 26291151
Fax: +91-11-26291152 E-mail: ho@tfcilt.com Website: www.tfcilt.com
CIN No.L65910DL1989PLC034812

*as on August 7, 2014

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- Note: 1. No Gift will be given in the AGM**
2. Shareholders are requested to send shares for transfer and other correspondence directly to the Company's Registrar and Transfer Agent at the above-mentioned address.

**HIGHLIGHTS**

(₹ in Lakh)

	As at March 31, 2014	As at March 31, 2013	
Resources			
Share Capital	8072	8072	
Reserves and Surplus	35575	33928	
Secured Loans	8000	2734	
Unsecured Loans	78150	88358	
Total	129797	133092	
Operations			
	Cumulative	2013-2014	2012-2013
Assistance sanctioned			
Rupee Loan	633102	68086	36680
Leasing	2491	—	—
Subscription to Equity/Preference Share/ Mutual Fund/Debenture	67697	8624	5668
Guarantee	1483	—	—
Total	704773	76710	42348
Assistance disbursed			
Rupee Loan	359835	35463	28643
Leasing	1580	—	—
Subscription to Equity/Preference Share/ Mutual Fund/Debenture	61238	8624	5668
Guarantee	1443	—	—
Total	424096	44087	34311
Earnings			
Profit before tax	8406	7243	
Profit after tax	5850	5553	
Earning per share (₹)	7.25	6.88	



NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the members of Tourism Finance Corporation of India Ltd. will be held on Monday, the 22nd day of September, 2014 at 11.00 a.m. at Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company including the Balance Sheet as at March 31, 2014 and the statement of Profit and Loss Account for the year ended March 31, 2014 and the report of the Board of Directors' and Auditors' thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri Niraj Agarwal (DIN: 06483526), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To fix remuneration of the Statutory Auditors of the Company in terms of the provisions of Section 139(5) and 142 of the Companies Act, 2013 and to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139(5) and 142 and all other applicable provisions, if any of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force], the Audit Committee of Directors of the Company be and is hereby authorised to decide and fix the remuneration of the Statutory Auditor(s) of the Company appointed by Comptroller and Auditor General of India (CAG) for the financial year 2014-15, as may be deemed fit.”

SPECIAL BUSINESS:

5. *To consider and if thought fit, to pass, with or without modification(s), the following resolution(s), as Special Resolution(s):*

“RESOLVED THAT pursuant to the provisions of the Section 14 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 the existing Articles of Association of the Company be and are hereby amended in the following manner:

In Article 123(i and ii), the words and phrases “he shall be counted in determining the number of retiring directors” be substituted with the words and phrases “he shall not be counted in determining the number of retiring directors”.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. *To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:*

“RESOLVED THAT Shri Malay Mukherjee (DIN: 02272425), who was appointed as an Additional Director by the Board of Directors of the Company with effect from January 3, 2014 and who as per the provisions of Section 161(1) of the Companies Act, 2013 holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the company liable to retire by rotation under the provisions of the Articles of Association of the Company.”

7. *To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:*

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV to the Act and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri S.Ravi (DIN: 00009790), who was appointed as an Additional Director of the Company by the Board of Directors of the Company on November 6, 2013 and who as per the provisions of Section 161(1) of the Companies Act, 2013 holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term upto 3 (Three) consecutive years commencing from April 1, 2014.

8. *To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:*

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV to the Act and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Vivek Nair (DIN: 00005870), Director of the Company whose office was liable to determination by retirement by rotation, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term upto 3 (Three) consecutive years commencing from April 1, 2014.



9. *To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:*

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV to the Act and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri V.P.Singh (DIN: 03424009), Director of the Company whose office was liable to determination by retirement by rotation, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term upto 3 (Three) consecutive years commencing from April 1, 2014.

10. *To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:*

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV to the Act and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri S.Sridhar (DIN: 00004272), who was appointed as an Additional Director of the Company by the Board of Directors on May 27, 2014 and who as per the provisions of Section 161(1) of the Companies Act, 2013 holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term upto 3 (Three) consecutive years w.e.f. May 27, 2014, the date of his appointment in the Company.

11. *To consider and if thought fit, to pass, with or without modification(s), the following resolution(s), as an Ordinary Resolution(s):*

“RESOLVED THAT subject to the provisions of Sections 196, 197 and 203 read with Schedule V to Act and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 161 of the Articles of Association of the Company, consent of the members, be and is hereby accorded for the appointment of Shri Satpal Arora (DIN:00061420) as Managing Director of the Company w.e.f April 9, 2014 to August 7, 2014 without any remuneration.”

12. *To consider and if thought fit, to pass, with or without modification(s), the following resolution(s), as Ordinary Resolution(s):*

“RESOLVED THAT Shri Surender Kumar Sangar (DIN:06928551), who was appointed as an Additional Director by the Board of Directors of the Company

with effect from August 7, 2014 and who as per the provisions of the Section 161(1) of the Companies Act, 2013 holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, whose period of office is liable to determination upon his ceasing to be Managing Director.

RESOLVED FURTHER THAT subject to the provisions Sections 196, 197 and 203 read with Schedule V to the Act and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Article 161 of the Articles of Association of the Company and such other approvals as may be required and such modification and conditions, if any, which the Board of Directors is hereby authorised to accept, consent of the members, be and is hereby accorded for the appointment of Shri Surender Kumar Sangar (DIN:06928551), as Managing Director of the Company for a period of 3 years from the date of joining office i.e. w.e.f. August 7, 2014 or till he attain the age of 60 years, whichever is earlier and to the payment of remuneration and other terms and conditions as set out hereunder:

- (i) **Pay:** Rs.78,000/- p.m.
- (ii) **Dearness Allowance:** Applicable Central Government Dearness Allowance from time to time.
- (iii) **City Compensatory Allowance:** Entitlement to City Compensatory Allowance in accordance with the following admissible rate:
Delhi, Mumbai, Chennai and Kolkata: Rs.300/- per month
- (iv) **Housing:**
 - (a) Rent free furnished accommodation to be provided by the Company. The cost of furniture/ furnishings shall not exceed Rs.3.00 lakh.

Or

In case the stay is in own accommodation or private arrangements are made for stay, then entitled to a compensation comprising 10% of the pay and admissible House Rent Allowance @30% of actual pay drawn p.m. (If the stay is in Delhi).

(b) Charges incurred for water, electricity and fuel consumed is to be borne by self. The expenditure incurred on providing Security Guards, Servants, Gardner shall be borne by the Company.

- (v) **Conveyance:** Entitled to free use of the Company's car for official purpose. Journeys from residence to office and back shall be treated as on duty.
- (vi) **Travelling, Boarding and Lodging:** Actual expenditure to be reimbursed for outstation journeys undertaken for official work, as per rules of TFCEI.
- (vii) **Medical Benefits:** Actual expenses incurred for self and dependent family members, in India. For expenditure to be/incurred relating to treatment abroad, specific approval of the Board will be required.



- (viii) **Personal Accident Insurance:** Forms part of Group Insurance of the Company, covering accidents also.
- (ix) **Leave Travel Concession:** Entitled to travel for self and family, by any mode, once in a block of two years for visiting any place in India as per entitled class as applicable for official tour.
- (x) **Entertainment:** Actual entertainment expenses subject to ceiling of Rs.6,000/- p.a. (membership fee(s) of Club(s) adjustable within the above ceiling).
- (xi) **Gratuity:** At the rate of half-months' pay for every completed year of service or more than six months of service as MD.
- (xii) **Leave:** As per Staff Regulations of the Company.
- (xiii) **Encashment of Leave on completion of tenure:** Entitled to encash Earned Leave at the time of completion of tenure/exit, which may be lying to his credit. The amount of leave salary shall be calculated on the basis of last pay drawn.
- (xiv) **Telephone:** The Company shall provide telephone at residence for office use. Mobile shall also be provided as per Company's rules.
- (xv) **Performance Linked Incentive:** As decided by the Board of Directors/ Remuneration & Compensation Committee of Directors, from time to time.
- (xvi) **Retirement Fare Concession/Shifting of Household Goods:** Single fare journey by entitled Class for self and family and cost of shifting of household goods to hometown at the time of completion of tenure /exit from TFCI.
- (xvii) **Reimbursement of Travelling / Transportation Expenses:** Entitled to reimbursement of traveling expenses for himself and family members from the place of residence to the place of posting at the time of taking up the board level assignment and similarly from the place of posting to the place where he and his family is to settle down permanently (even if it is other than the declared home town).
- (xviii) **Other Perquisites:** Other benefits and like amounts to be paid as per rules of TFCI.
- (xix) **Provident Fund:** Provident Fund will be as per Company rules.
- (xx) **Foreign Visits:** To be undertaken with the prior approval of the Board.
- (xxi) The Contract of employment can be terminated by either side by giving one month's notice or one month's basic pay in lieu thereof.
- (xxii) Subject to the above, in all other matters, he will be governed by the Staff Regulations of TFCI and other rules and regulations, Administration/HR Circulars and Office Orders, as may be in force from time to time in TFCI.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in any financial year during his tenure, the aforesaid remuneration shall be paid as minimum remuneration subject to compliance of provision of Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof as in force from time to time.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) be and is hereby authorized to fix, increase, alter and to vary the remuneration consisting salary, perquisites, allowance etc. within the ceiling limits in that behalf as laid down in Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit."

13. *To consider and if thought fit, to pass, with or without modification(s), the following resolution(s), as Special Resolution(s):*

"RESOLVED THAT in supersession of the Ordinary Resolution passed under Section 293(1)(d) of the Companies Act, 1956 at the 23rd Annual General Meeting of the Company held on July 18, 2012 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under, as amended from time to time, the consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, whether secured or unsecured, and on such terms and conditions as may be considered suitable by the Board, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not so set apart for any specific purpose, provided that the total amount upto which the moneys may be borrowed by the Board of Directors shall not exceed a sum of Rs.3,000 crore (Rupees Three Thousand crore only) at any time.

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to rate of interest, repayment, security or otherwise, howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required."

14. *To consider and if thought fit, to pass, with or without modification(s), the following resolution(s), as Special Resolution(s):*

"RESOLVED that pursuant to Section 180(1)(a) and/or other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby given to the creation by the Board of Directors of the Company (hereinafter referred to as the "Board"



which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board may direct, to or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the "Lending Agencies") and Trustees for the holders of debentures/bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding Rs.3,000 crore (Rupees Three Thousand crore only) together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and/or to the Lending Agencies under their respective Agreements to be entered into by the Company in respect of the said borrowings. RESOLVED FURTHER THAT the Board be and is, hereby authorized to finalize with the Lending Agencies/Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution."

15. *To consider and if thought fit, to pass, with or without modification(s), the following resolution(s), as Special Resolution(s):*

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities), Rules 2014 and any other applicable laws, consent of the Company, be and is hereby given to the Board of Directors (hereinafter referred to as the "Board" which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for having made and/or making offer(s) or invitation to subscribe to securities, including but not limited to bonds and non-convertible debentures, by way of private placement in one or more tranches, on such terms and conditions as it may consider proper, upto an amount not exceeding Rs.600 crore (Rupees Six Hundred Crore only) in the year commencing from the date of approval by shareholders.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient, to give effect to this Resolution."

By order of the Board of Directors

Date: August 7, 2014
Place: New Delhi

(Sanjay Ahuja)
Company Secretary

Notes:

1. ***A member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy in order to be valid and effective must be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting. A BLANK PROXY FORM IS ENCLOSED.***

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

2. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, setting out material facts in respect of the Special Business to be transacted at the meeting under item no(s). 5 to 15 are annexed hereto.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. In terms of Article 135 of the Articles of Association of the Company, read with Section 152 of the Companies Act, 2013, Shri Niraj Agarwal Director, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.
5. Brief profile of the Directors proposed to be appointed/re-appointed, is set out in "Information about Directors seeking appointment/re-appointment as mandated in Clause 49 of the Listing Agreement" annexed to the notice.
6. Members seeking any information with regard to accounts or operations are requested to write to the Company at an early date preferably at least 7 days prior to the date of meeting, to enable the Company to keep the information ready.
7. Members are requested to
 - (a) bring their attendance slip duly filled in along with their copy of annual report to the meeting. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
 - (b) note that all correspondence relating to share transfer should be addressed to Registrar & Share Transfer Agents of the Company, MCS Share Transfer Agent Ltd. at F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020.
 - (c) quote their DP ID No./Client ID No, or folio number in all correspondence.
8. Relevant documents referred to in the accompanying Notice as well as the other documents are open for inspection at the registered office of the Company on



TOURISM FINANCE CORPORATION OF INDIA LIMITED

all working days except Saturday, Sunday and holidays between 11.00 a.m. to 1.00 p.m. upto the date of this Annual General Meeting.

9. (a) The Register of Members and Share Transfer Books for equity shares of the Company will remain closed from September 16, 2014 to September 22, 2014 (both days inclusive).

(b) The dividend on Equity Shares, if declared at the Meeting, will be paid to those members holding shares.

(i) in physical form, if their names appear in the Register of Members as on September 22, 2014 and

(ii) in dematerialized/electronic form, the dividend will be paid on the basis of beneficial ownership as per details to be furnished by the Depositories i.e National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the end of business on September 15, 2014.

10. Members may please note that for shares in electronic form, bank particulars registered against their depository accounts will be used by the Company for payment of dividend, therefore they are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in address immediately to the Registrar & Share Transfer Agent(R&TA), M/s MCS Share Transfer Agent Ltd. at F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020

11. Members holding shares in more than one folio in identical order of the names are requested to write to R&TA enclosing their share certificates to enable them to consolidate the holdings in one folio to facilitate better service.

12. Pursuant to the provisions of Section 125 of the Companies Act, 2013(relevant section 205C of the Companies Act, 1956), the amount of dividend remaining unclaimed and unpaid for a period of 7 years from the date of payment is required to be transferred to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Members who have not yet encashed their dividend warrants for the previous years, are requested to make their claims to the Company immediately. Members who have not yet encashed their dividend warrants or are not in receipt of the dividend warrants are requested to seek issuance of demand draft from the Company. It may be noted that once the unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof.

The due date for transfer of unpaid dividend amount to IEPF for these years are:

Year	Due Date
2006-07	21.10.2014
2007-08	12.10.2015
2008-09	18.10.2016
2009-10	17.10.2017
2010-11	13.10.2018
2011-12	17.08.2019
2012-13	12.10.2020

13. As per the provisions of the Companies Act, 2013, facility for making nominations is available for shareholders, in respect of shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agents of the Company.

14. The Securities and Exchange Board of India(SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Transfer Agents M/s MCS Share Transfer Agent Ltd.

15. Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance” by allowing paperless compliance by the Companies. In order to support the said initiative, your Company shall send the copy of the Annual Report along with the notice convening the AGM through e-mail to those members whose e-mail IDs have been provided by them through their DPs/RTAs. The Annual Report is also uploaded on the website of the Company at www.tfcilt.com.

16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

17. In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the Rules) and Clause 35B of the Listing Agreement, the Items of Business given in 25th AGM Notice may be transacted through electronic voting system and the Company is providing e-voting facility to the members who are the members as on August 14, 2014 (End of Day) being the “Record Date” fixed for the purpose, to exercise their right to vote at the 25th AGM by electronic means. For the purpose, the Company has entered into an agreement with Central Depository Services (India) Ltd. (CDSL) for facilitating e-voting as the authorised agency to provide e-voting facilities.

(A) The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “the COMPANY NAME (TOURISM FINANCE CORPORATION OF INDIA LIMITED)” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID which is as under
 - a. For CDSL accountholders: 16 digits beneficiary ID,
 - b. For NSDL accountholders: 8 Character DP ID followed by 8 Digits Client ID,



- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the record date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be

also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name >(TOURISM FINANCE CORPORATION OF INDIA LIMITED) on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

For Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.



In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) Other Information:

- (i) The voting period begins on Monday, September 15, 2014 at 9.30 a.m. (IST) and ends on Tuesday, September 16, 2014 at 5.30 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 14, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (iii) The Scrutinizer will scrutinize the e-voting process in a fair and transparent manner.
- (iv) The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour/against forthwith to the Chairman.
- (v) If a member casts votes by both modes, then voting done through e-voting shall prevail.
- (vi) The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website: www.tfcilt.com and on the website of CDSL within the two days of passing of the resolutions at the Annual General Meeting.

Important Note:

Tourism Finance Corporation of India Ltd., being a listed company and having more than 1000 shareholders, is compulsorily required to provide e-voting facility to members in terms of Section 108 of the Act read with Rule 20 of the Rules and Clause 35B of the Listing Agreement, voting by show of hands will not be available to the members at the 25th AGM in view of the further provisions of Section 107 read with Section 114 of the Act.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO: 5

The sections relating to the appointment and qualification of directors under chapter XI of the Companies Act, 2013 have been notified by MCA, Govt. of India w.e.f. April 1, 2014. Section 152(6) of the Companies Act, 2013 provides that "not less than two-third of the total number of directors of a public company shall be persons whose period of office is liable to determination by retirement of directors by rotations." For the purpose "total number of director" shall not include independent directors appointed on the Board of a Company. The Company needs to comply with the

provision for appointment of Independent Directors not liable to retire by rotation in terms of Companies Act, 2013 and Section 152(6) of the Companies Act, 2013. Accordingly, it is therefore proposed to amend Article 123 of the Article of Association in terms of section 14 of the Companies Act, 2013 by passing Special Resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

None of Directors or Key Managerial Personnel of the Company and their relatives are concern or interested, financially or otherwise, in the resolution, except to the extent of their shareholding in the Company.

ITEM NO: 6

The Board had appointed Shri Malay Mukherjee as an Additional Director of the Company w.e.f. January 3, 2014. By virtue of Section 161 of the Companies Act, 2013 he holds office upto the date of ensuing Annual General Meeting of the Company and is eligible for re-appointment. The Company has received notice in writing along with deposit from a member of the company in terms of Section 160 of the Companies Act, 2013, proposing the candidature of Shri Malay Mukherjee for the office of Director at the ensuing Annual General Meeting.

Brief profile of Shri Malay Mukherjee is set out in the "Information about Directors seeking appointment/reappointment as mandated under Clause 49 of the Listing Agreement" which is annexed with the notice. His background and vast experience would be of great value to the Company.

The Board recommends the resolution set out in item no. 6 of the Notice for approval of the members of the Company.

Shri Malay Mukherjee is interested in the resolution as it relates to his appointment. None of other Directors or Key Managerial Personnel of the Company and their relatives are concern or interested, financially or otherwise, in the resolution, except to the extent of their shareholding in the Company.

ITEM NO: 7, 8, 9

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Shri S. Ravi, Shri Vivek Nair and Shri V.P. Singh, as Independent Directors at various times, in compliance with the requirements of the clause. Pursuant to the provisions of Section 149 of the Companies Act 2013, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of Directors as Independent Directors, who are not liable to retire by rotation. Shri S. Ravi, Shri Vivek Nair and Shri V.P. Singh, Non-Executive Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these Directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management. Hence approval of the members is being sought for appointment of these Directors



in terms of Section 149 of the Companies Act, 2013 read with Schedule IV of the Act, as Independent Directors of the Company w.e.f. April 1, 2014 for a term of three years.

Notices under Section 160 of the Companies Act, 2013 have also been received proposing candidature of Shri S. Ravi, who was appointed on November 6, 2013 for appointment as Directors of the Company.

A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company www.tfcilttd.com.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board recommends the Resolutions for approval of the Members.

Brief profile of the above Directors is set out in the "Information about Directors seeking appointment/reappointment as mandated under Clause 49 of the Listing Agreement" which is annexed with the notice.

Shri S. Ravi, Shri Vivek Nair and Shri V.P.Singh are interested in the resolution as it relates to their appointment. None of other Directors or Key Managerial Personnel of the Company and their relatives are concern or interested, financially or otherwise, in the resolution, except to the extent of their shareholding in the Company.

ITEM NO: 10

Shri S.Sridhar was appointed as an Additional Director w.e.f. May 27, 2014. By virtue of Section 161 of the Companies Act, 2013 he holds office upto the date of ensuing Annual General Meeting of the Company and is eligible for reappointment. The Company has received notice in writing along with deposit from a member of the company in terms of Section 160 of the Companies Act, 2013, proposing the candidature of Shri S.Sridhar for the office of Director at the ensuing Annual General Meeting.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors liable to retirement by rotation.

In order to comply with the provisions Sections 149(4), (10) & (11) and 152(6) (e) of the Companies Act, 2013 read with Clause 49 of the listing agreement, it is proposed to formally appoint Shri S. Sridhar as an Independent Director for an initial term of 3 consecutive years w.e.f. May 27, 2014, the date of his appointment in the company.

The Company has received a declaration from Shri S.Sridhar that he meets with the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Shri S.Sridhar fulfils the conditions for his appointment as an Independent Director as specified

in the Act and the Listing Agreement. Shri S. Sridhar is independent of the company's management.

Brief profile of Shri S.Sridhar is set out in the "Information about Directors seeking appointment/reappointment as mandated under Clause 49 of the Listing Agreement" which is annexed with the notice.

The Board recommends the resolution set out in Item No. 10 of the Notice for approval of the members of the Company.

Shri S. Sridhar is interested in the resolution as it relates to his appointment. None of other Directors or Key Managerial Personnel of the Company and their relatives are concern or interested, financially or otherwise, in the resolution, except to the extent of their shareholding in the Company.

ITEM NO: 11

Consequent upon the resignation of Smt. Shashi Sharma Managing Director, the Board of Directors appointed Shri Satpal Arora as an Additional Director and Managing Director of the Company w.e.f. April 9, 2014 till the process of selection of Managing Director is completed or next Annual General Body Meeting whichever is earlier without any remuneration.

Shri Satpal Arora has resigned as Director/Managing Director of the Company w.e.f. August 7, 2014 and handed over the charge to Shri Surender Kumar Sangar w.e.f. August 7, 2014.

Brief profile of Shri Satpal Arora is set out in the "Information about Directors seeking appointment/reappointment as mandated under Clause 49 of the Listing Agreement" which is annexed with the notice

The Board recommends the resolution set out in Item No. 11 of the Notice for approval of the members of the Company.

Shri Satpal Arora is interested in the resolution as it relates to his appointment. None of other Directors or Key Managerial Personnel of the Company and their relatives are concern or interested, financially or otherwise, in the resolution, except to the extent of their shareholding in the Company.

ITEM NO: 12

The Board had appointed Shri Surender Kumar Sangar as an Additional Director and Managing Director of the Company for a period of 3 years from the date of joining office i.e. w.e.f. August 7, 2014 or till he attain the age of 60 years, whichever is earlier on the terms and conditions as set out in Resolution No.12.

By virtue of Section 161 of the Companies Act, 2013, he holds office upto the date of ensuing Annual General Meeting of the Company and is eligible for re-appointment. The Company has received notice in writing along with deposit from a member of the company in terms of Section 160 of the Companies Act, 2013 proposing the candidature of Shri Surender Kumar Sangar for the office of Director at the ensuing Annual General Meeting. The approval of the members is being sought for the appointment of Shri Surender Kumar Sangar as Managing Director, not liable to retire by rotation and payment of remuneration as set out in Resolution No.12.



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Brief profile of Shri Surender Kumar Sangar is set out in the “Information about Directors seeking appointment/reappointment as mandated under Clause 49 of the Listing Agreement” which is annexed with the notice. Shri Surender Kumar Sangar has an outstanding record of work in Union Bank of India and has a vast exposure of Banking and Finance. His background would help the company in improving its business.

The Board recommends the resolution set out in item no. 12 of the Notice for approval of the members of the Company.

Shri Surender Kumar Sangar is interested in the resolution as it relates to his appointment. None of other Directors or Key Managerial Personnel of the Company and their relatives are concern or interested, financially or otherwise, in the resolution, except to the extent of their shareholding in the Company.

ITEM NO: 13

At the 23rd Annual General Meeting of the Company held on July 18, 2012, the Members had, by way of Ordinary Resolution in pursuance of the provisions of Section 293(1) (d) of the Companies Act, 1956, authorised the Board of Directors to borrow in excess of the aggregate of the paid up capital and free reserves of the Company, provided that the total amount of money so borrowed shall not at any time exceed the limit of Rs.3,000 crore. Your Company, a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) registered with RBI, is in the business of providing finance. Under Section 180 of the Companies Act, 2013, the above powers of the Board are required to be exercised only with the consent of the Company by a Special Resolution. The Ministry of Corporate Affairs vide its General Circular No.4/2014 dated March 25, 2014 clarified that the ordinary resolution passed under section 293 of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Companies Act 2013 for a period of one year from the date of notification of Section 180 of the Act. The approval of the Members for the said borrowings is therefore now being sought, by way of a Special Resolution, pursuant to Section 180(1)(c) of the Companies Act, 2013.

The Board recommends the Special Resolution set out at Item No. 13 of the Notice for approval by the members.

None of Directors or Key Managerial Personnel of the Company and their relatives are concern or interested, financially or otherwise, in the resolution, except to the extent of their shareholding in the Company.

ITEM NO: 14

In the recent past, there have been changes in the regulatory environment of borrowings by way of RBI guidelines, Companies Act, 2013 and SEBI Guidelines, owing to which, security is mandatorily required to be created in favour of bondholders or Trustees on behalf of bondholders for various types of bonds/debentures. In view of this, approval from shareholders is being sought for creation of security by way of mortgage, assignment, charge or hypothecation on the Company's assets/receivables, in respect of borrowings of the Company upto Rs.3,000 crore.

The Board recommends the Special Resolution set out at Item No. 14 of the Notice for approval by the shareholders.

None of Directors or Key Managerial Personnel of the Company and their relatives are concern or interested, financially or otherwise, in the resolution, except to the extent of their shareholding in the Company.

ITEM NO: 15

As per Section 42 of the Companies Act, 2013 read with the Rules framed there under, a company offering or making an invitation to subscribe to Non-Convertible Debentures (“NCDs”) on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution. Such an approval by way of special resolution can be obtained once in a year for all the offers and invitations made for such NCDs during the year. Ministry of Corporate Affairs has clarified vide Notification dated June 30, 2014 that in case of an offer or invitation for NCDs referred above, made within a period of six months from the date of commencement of the above Rules, the Special Resolution may be passed within the said period of six months from the date of commencement of the above Rules.

Your Company has been raising funds through various sources including raising funds through issuance of bonds/debentures. Your Company has issued non-convertible bonds in the last few years by way of private placement basis as the same is cost-effective and also offers flexibility as compared to public issues.

The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made thereunder, to enable the Company to offer or invite subscriptions for securities, including but not limited to bonds and non-convertible debentures upto Rs.600 crore on a private placement basis, in one or more tranches, during the period of one year from the date of passing of this Resolution, within the overall borrowing limits of the Company, as approved by the Members from time to time and which shall include any amount borrowed through securities offered on private placement basis and subscribed during the current financial year upto the approval of the members proposed at the Resolution at Item No. 15.

The Board of Directors recommends the passing of the proposed Special Resolution as set out in Item No. 15 of the Notice, by the members of the Company.

None of Directors or Key Managerial Personnel of the Company and their relatives are concern or interested, financially or otherwise, in the resolution, except to the extent of their shareholding in the Company.

By order of the Board of Directors

Date: August 7, 2014
Place: New Delhi

(Sanjay Ahuja)
Company Secretary



INFORMATION ABOUT DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS MANDATED IN CLAUSE 49 OF THE LISTING AGREEMENT

Shri Niraj Agarwal

Shri Niraj Agarwal age 56 years is the Executive Director of Life Insurance Corporation of India (LIC). He joined LIC in the year 1984 after completing his Master Degree from the University of Allahabad. He has held many important positions in his career and has worked at the Corporate Office and in three major Zones.

Previously he has worked as CEO of Saudi Indian Company for Co-operative Insurance (SICCI) at Saudi Arabia, General Manager, LIC International at Bahrain, Secretary (Personnel/Admn.), Central Office (CO) and Sr. Divisional Manager, Divisional Office (DO), Salary Saving Scheme (SSS).

Shri Agarwal has attended several training sessions on management and insurance at prestigious institutes like Asian Institute of Management, Manila, Phillipines, ISB, Hyderabad and NIA, Pune. He is not a director in any other company. He is the Chairman of Stakeholder Relationship Committee of the Company. He does not hold shares of the Company.

Shri Malay Mukherjee

Shri Malay Mukherjee age 59 years is CEO and Managing Director of IFCI Ltd. Shri Malay Mukherjee is post graduate in Physics. He joined Indian Bank as Probationary Officer in 1976 and has more than 35 years of experience in the Banking Industry. Shri Mukherjee has a wide field exposure, having worked in various branches in Assam, Bihar, West Bengal, Maharashtra, Gujarat, New Delhi, as Branch Manager in Indian Bank. He had also worked in Risk Management Department and Technology Management Department of Indian Bank at its Corporate Office. As Zonal Manager of Bangalore and Delhi Zones and General Manager of Kolkata Zone of Indian Bank, he headed operations of branches in West Bengal, Sikkim, Andaman & Nicobar, Delhi NCR, Karnataka and Goa. He has attended various training programmes – both internal and external in India and abroad. He has widely travelled in India and abroad.

As Executive Director of Central Bank of India, he oversaw the portfolios such as Credit, HR, General Administration, IT, Corporate Communications, Publicity, Marketing, Client coverage and New Initiatives etc. He is presently the CEO & Managing Director of IFCI Limited, Chairman of IFCI Infrastructure Development Limited, IFCI Factors Limited, IFCI Venture Capital Fund Limited, IFCI Financial Services Limited and Stock Holding Corporation of India Limited. He is also Chairman of the Board of Governors of Management Development Institute, Institute of Leadership Development and Entrepreneurship Development Institute of India. He does not hold shares of the Company.

Shri Satpal Arora

Shri Satpal Arora age 56 years is a Post Graduate in Commerce, an Associate member of ICSI and ICMA. He

is also law graduate and a Diploma holder in Labour Laws and a certified Associate of Indian Institute of Bankers. He has 29 years of professional experience. He is Executive Director, IFCI Ltd. and on the Board of Raichur Power Corporation Ltd., Haldia Petrochemicals Ltd., Asset Care & Reconstruction Enterprise Ltd., Shree Maheshwar Hydel Power Company Ltd., Gayatri Energy Ventures (P) Ltd. and IFCI Sycamore Capital Advisors (P) Ltd. He is also member of Audit Committee of Haldia Petrochemicals Ltd., Gayatri Energy Ventures (P) Ltd. and IFCI Sycamore Capital Advisors (P) Ltd. He holds 2200 equity shares of the Company.

Shri S. Ravi

Mr. S. Ravi age 55 years is a Post Graduate in Commerce and a practising Chartered with over 25 years of experience spanning across banking, mutual funds, home finance, venture capital funds, capital market and manufacturing sectors.

He is presently on the Boards of IDBI Bank Ltd., IDBI Capital Market Services Ltd., LIC Housing Finance Ltd., ONGC Ltd., SMERA Ratings Ltd., STCI Finance Ltd., STCI primary Dealers Ltd. UTI Trustee Company Pvt. Ltd. and SBI-SG Global Securities Services Pvt. Ltd. among others. He is also member of Audit Committee of IDBI Bank Ltd. (Chairman), IDBI Capital Market Services Ltd.(Chairman), LIC Housing Finance Ltd.(Chairman), ONGC Ltd., SMERA Ratings Ltd., STCI Primary Dealers Ltd. He is member of stakeholder committee of ONGC Ltd., IDBI Bank and member/Chairman of Investor's Grievance Committee of LIC Housing Finance Ltd. He is Chairman of Audit Committee and member of Nomination & Remuneration Committee of the Company. He does not hold shares of the Company.

In the past, he has served as a director on the boards of companies like BHEL and UCO Bank, to name a few. He is regularly invited by many regulatory bodies and educational institutions to deliver lectures and presentations. Mr Ravi has also contributed a number of articles in business dailies.

Shri Vivek Nair

Shri Vivek Nair, age 62 years, is Post Graduate in Hotel Management from Cornell University's School of Hotel Administration in Ithaca, New York, USA and has over 30 years of experience. He did his graduation from St. Xavier's College, Mumbai. Shri Vivek Nair is a Council Member of the World Travel and Tourism Council, India Initiative (WTTC-II).

He is presently Chairman & Managing Director and Member of Hotel Leelaventure Ltd., Director & Member of Leela Capital & Finance Ltd., Director of Mumbai International Convention & Exhibition Centre Ltd., Leela Palaces and Resort Ltd.(formerly Iskon Estates Pvt. Ltd.) and VIP Industries Ltd. He is also Director/Member of Leela Lace Software Solution Pvt. Ltd., Leela Housing Pvt. Ltd., Rockfort Estate Developers Pvt. Ltd., Leela Lace Holding Pvt. Ltd., Emmel Realtors and Developers Pvt. Ltd., Leela Lace Estates Pvt. Ltd., Armcess Engineers Pvt. Ltd., Elegant Eateries Pvt. Ltd., Aushim Soft Pvt. Ltd., Leela Soft Pvt.



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Ltd., Zillion Hotels and Resorts Pvt. Ltd., L.M. Realtors Pvt. Ltd.(formerly Leela Lace Realtors Pvt. Ltd.), Buena Vista Travels Pvt. Ltd. He is also on the trust of Krishnan Nair Leela Family Trust. He is member of Audit Committee of Hotel Leelaventure Ltd. & Leela Capital and Finance Ltd. He is also president of Federation of Hotel & Restaurant Associations of India(FHRAI), central governing council member of Services Export Promotion Council (SEPC), council member of World Travel and Tourism Council, India Initiative (WTTCII), Executive Committee member of South Indian Hotels & Restaurants Association. He is member of Nomination & Remuneration Committee and Corporate Social Responsibility (CSR) Committee of the Company and does not hold shares of the Company.

Shri V. P. Singh

Shri V.P. Singh age 79 years, senior Advocate has more than 49 years of experience in legal practice. He practices in Supreme Court and High Court. He is presently on the Board of National Co-operative Union of India, Delhi Co-operative Bank & President of Delhi State Co-operative Union. He is the Chairman of Nomination & Remuneration Committee and member of Audit Committee of the Company. He is not a director in any other company. He does not hold shares of the Company.

Shri S. Sridhar

Shri S. Sridhar age 63 years is former Chairman and Managing Director of Central Bank of India and National Housing Board. He has vast exposure in banking, project financing, investment etc. He has diverse experience known for strategic thinking and execution, transformational leadership and strong development commitment.

He is director / member of Strides Arcolab Ltd., Strategic Research and Information Capital Services Pvt. Ltd. and director of Judilant Life Sciences Ltd., Ferro Alloy Corporation Ltd., DCB Bank Ltd., Frontier Leasing and Finance Ltd., India Infoline Housing Finance Ltd., Sewa Grih Rin Ltd., Binani Cement Ltd., Nabard Consultancy Services Pvt. Ltd., Land Interactive Media Ltd., Incube Trustee Company Pvt. Ltd. and Binani Industries Ltd.

He is member of Audit Committee of Strides Arcolab Ltd., Jubilant Life Sciences Ltd., India Infoline Housing Finance Ltd., Frontier Leasing and Finance Ltd and J.P.Morgan Mutual Fund (India) Pvt. Ltd. He is the Chairman of CSR Committee of the Company. He does not hold shares of the Company.

Shri Surender Kumar Sangar

Shri Surender Kumar Sangar age 58 years is graduate in commerce and Certified Associate of Indian Institute of Bankers. Previous to joining the Company, he had been working as General Manager of Union Bank of India and having more than 36 years of experience including 15 years as Branch Head, besides working a Regional Head (Delhi) and Zonal Head of North Zone and Maharashtra Zone. He has vast exposure in Banking and Project Finance, Corporate Banking, Credit Policy, Strategy and Business Consulting. He has attended various training programme and seminar. He had been member of various Committees viz. Credit Risk Management Committee, Investment Committee. Asset Liability Management Committee, Assets Quality Management Committee, Premises Committee, Credit Approval Grids. He is member of Stakeholder Relationship Committee of the Company and CSR Committee. He is not a director of any other Company and he does not hold shares of the Company.

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and issued circulars stating that the service of notice/documents including Annual Reports can be sent through e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail address, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants and in respect of holding in physical mode with the Company/Registrar and Share Transfer Agent of the Company.



DIRECTORS' REPORT

To the Members:

1. Presentation of the Annual Report

Your Directors have pleasure in presenting the Twenty Fifth Annual Report on the business and operations of the Company and the audited accounts for the financial year 2013-14.

2. Financial Results

The Company's financial performance for the year ended 31st March, 2014 is summarized below:

(Amount in Lakh)

Particulars	2013-14	2012-13
Total Income	18726.03	18240.00
Total Expenditure	9859.44	10396.54
Provision/(Written Back) for doubtful debts/investment	460.00	600.00
Profit before Tax	8406.59	7243.46
Provision for Tax	2556.70	1690.89
Profit After Tax	5849.89	5552.57
Less: Provision for doubtful debts u/s36(1) (viiia) of the Income Tax Act, 1961	370.00	303.00
Surplus Brought Forward	1959.07	1417.75
Profit Available For Appropriation	7438.96	6667.32
Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961	1637.00	1472.00
Special Reserve u/s 45 IC of RBI Act	1169.98	1110.52
General Reserve	2000.00	1000.00
Proposed Dividend	968.60	968.60
Dividend Tax	164.61	157.13
Balance Carried to Balance Sheet	1498.77	1959.07
	7438.96	6667.32

3. Operational Performance

The operational performance of your Company has improved over the previous year, despite difficult business environment. The project related sanctions registered a growth of 85.62% in the year 2013-14 over the previous year. The Company had sanctioned loan assistance aggregating to Rs.680.86 Crore as compared to Rs.366.80 Crore in the corresponding period of the previous financial year. The project related disbursement registered a growth of 23.81% over the previous year. TFCI had disbursed Rs.354.63 Crore as compared to the previous year figure of Rs.286.43 Crore. Your Company has achieved a modest growth of 5.35% in Net Profit After Tax (PAT) over the corresponding previous year figure. Due to slowdown in economic activities, the Company deliberately decided not to extend financial assistance to projects with weak fundamentals which might ultimately result in higher delinquencies. Accordingly, more emphasis was laid on consolidation & strengthening of monitoring mechanism to prevent slippages which helped in improving the bottom line,

at a time, when most of the NBFCs were facing severe stress on their financials. However, the company has maintained a healthy growth in income from operations as well as in the profitability due to better recovery rate.

3.1. New Initiatives

In view of the prevailing challenging environment, TFCI decided to explore and exploit possibilities for diversification and expansion into adjacent and parallel financial areas to ensure continuous growth in business and financial parameters. TFCI is approaching its erstwhile good customers who may have financial requirements for renovation, modernization or expansion. TFCI is exploring corporates with satisfactory financial background for short-term loans to enable quick disbursements. Your Company, during the last few years has been pursuing to expand its portfolio by not only extending financial assistance to new hospitality projects for renovation, upgradation but also has been actively pursuing consultancy assignments for various state governments by drafting tourism policy, other project advisory services for tourism destination/circuit development etc.

3.2 Contribution to Tourism and Infrastructure Sector by TFCI

The assistance provided by your company since its inception has catalyzed the addition of 44174 rooms and provided direct employment to about 83749 persons in tourism industry. The assistance provided by your Company has also led to catalysing investments to the tune of Rs.24581 Crore in the tourism sector thereby contributing to the creation of required tourism infrastructure, which has direct bearing on the development of industry.

3.3. Non-Performing Assets

Your Company adhered to the prudential norms for Non-Performing Assets (NPAs) prescribed by the regulatory authority. During the year 2013-14, your Company has been able to contain slippage in its loan portfolio by taking proactive steps and regular follow up with borrowers. However, despite vigorous follow up, one account has slipped from standard to sub-standard category and recognized as NPA as on March 31, 2014. Your Company hope to realise the entire overdues alongwith further interest/principal during the year. TFCI has adequate provisions in the books of accounts. During the year, amount aggregating Rs.18.22 Crore was recovered from NPA/written off cases and recognized as income. The Net NPAs of the company were NIL as on March 31, 2014.

4. Dividend

Your Directors have recommended a dividend of Rs.1.20 per Equity Share i.e. @ 12% on the paid-up Equity Share Capital for the financial year ended March 31, 2014 which will be paid after approval at the ensuing Annual General Meeting. The aggregate payout due



to payment of dividend, if approved, will be Rs.11.33 Crore inclusive of dividend tax of Rs.1.64 Crore. The dividend will be paid to those members holding shares in physical form, whose names appear in the Register of Members as on September 22, 2014 and in respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership as per details to be furnished by the Depositories i.e National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the end of business on September 15, 2014.

5. Resource Mobilization

Your Company constantly monitors its resource base and taps the appropriate source in its endeavor to minimize the weighted average cost of funds. During the year, your Company met its fund requirements for disbursement as well as repayment/redemption of loans/bonds by way of financial assistance from banks and internal accruals. Your Company redeemed high interest bearing bonds aggregating Rs.102.08 crore during 2013-14 and availed term loan of Rs.100 crore from a bank.

Public deposit

The Company has not invited any deposit from the public under Section 58A of the Companies Act, 1956 during the year under review. There was no public deposit outstanding as at the beginning or end of the year ended on March 31, 2014.

6. RBI Guidelines

Your Company has been classified as Non-Deposit Accepting Non-Banking Financial Company. RBI has been issuing guidelines from time to time with regard to capital adequacy standards, income recognition, asset classification, provisioning and other related matters. The accounting policies of your Company conform to these guidelines. The capital adequacy for your Company stands at a very comfortable level of 39.86% as on the March 31, 2014 as against the prescribed norm of 15%.

7. Management's Discussion and Analysis Report

Management's Discussion and Analysis report containing Industry outlook, its environment, outlook for tourism and other details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

8. Directors

During the year under report, Shri S.K. Ganguli retired by rotation in the last Annual General Meeting. Shri S. Ravi was appointed as an additional director on November 6, 2013.

Shri S.B. Nayar, Chairman of the Board resigned vide his letter dated December 11, 2013 and Shri Malay Mukherjee was appointed as an additional director and Chairman of the Board w.e.f January 3, 2014. Smt. Shashi Sharma resigned as Director/Managing Director vide her letter dated April 3, 2014. The Board of Directors in its meeting held on April 9, 2014, accepted her resignation and appointed

Shri Satpal Arora as an additional director and Managing Director of the Company consequent to resignation of Smt. Shashi Sharma. Shri S. Sridhar has been appointed as an additional director in the independent director category in their meeting held on May 27, 2014 for a period of 3 years subject to approval in the ensuing Annual General Meeting. Shri Satpal Arora has resigned as Director/Managing Director w.e.f. August 7, 2014 and the Board of Directors has appointed Shri Surender Kumar Sangar as an additional director and Managing Director for a period of 3 years w.e.f. August 7, 2014 or till he attains the age of 60 years whichever is earlier.

The Board appreciates the contribution made by the outgoing directors during their tenure. In terms of the provisions of the Companies Act read with Article 135 of the Articles of Association of the Company, Shri Niraj Agarwal would retire at the forthcoming Annual General Meeting. The Board recommends the re-appointment of Shri Niraj Agarwal in the forthcoming Annual General Meeting. Your company proposes to amend Article 123 of the Articles of Association in view of the new Companies Act, 2013 and corporate governance practices.

9. Directors' Responsibility Statement

In compliance of Section 217(2AA) of the Companies Act, 1956, your Directors confirm:

- (i) That in the preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards read with the requirements set out under Schedule VI of the Companies Act, 1956 have been followed and there are no material departures from the same;
- (ii) That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended on that date;
- (iii) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That they had prepared the annual accounts on a 'going-concern' basis.

10. Dematerialization of Shares and nomination facility and listing at Stock Exchanges

As per the Securities and Exchange Board of India (SEBI) directives, the transactions of the Company's shares must be compulsorily in dematerialized form. Your Company had entered into agreements with National Securities Depository Ltd. and Central Depository Services (India) Ltd. to facilitate holding and trading of shares in electronic form. Shareholders holding shares in physical form are requested to convert their holding into dematerialized form.

Shareholders may utilize the nomination facility available by sending duly filled prescribed Form No. 2B



to our Registrar and Share Transfer Agent, M/s MCS Share Transfer Agent Limited.

Your Company's equity shares are listed with Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Company has paid the Annual Listing Fees to said Stock Exchanges for the financial year 2013-14 and 2014-15. The addresses of the said Stock Exchanges are stated elsewhere in the Annual Report.

11. Auditors

M/s V.C.Gautam & Co., Chartered Accountants (Registration No 000365N) has been appointed by the Comptroller & Auditor General of India (C&AG) as Statutory Auditors of Your Company for FY 2014-15.

12. Auditors' Report

The Auditors' Report along with the Notes on Accounts referred to in the Auditors' Report is self-explanatory and does not call for any further comments or explanation.

13. Particulars of Employees

In terms of the provisions of the Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, we hereby confirm that there is no employee in respect of which information is required to be furnished.

14. Energy Conservation, Technology Absorption and Foreign Exchange Earning and outgo

The particulars relating to energy conservation and technology absorption, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not required as your Company's operations do not involve in manufacturing or processing activities. However, while vetting the proposals received for sanction of financial assistance, the aspect of energy conservation, in case of assisted concerns, is given due consideration. The particulars regarding Foreign Exchange earnings and outgo are as follows:

i) Total foreign exchange outgo	:	Nil
ii) Total foreign exchange earnings	:	Nil

15. Transfer of amount to Investor Education and Protection Fund

Pursuant to the provisions of Section 205A of the Companies Act, 1956, your Company has transferred unclaimed/unpaid dividend to the Investor Education and Protection Fund.

16. Segment Reporting

Accounting Standard 17 regarding Segment-wise Reporting does not apply to your Company since revenues are primarily derived from only one segment, financing.

17. Corporate Governance

Your Directors reaffirm their continued commitment to good corporate governance practices and endorse Corporate Governance practice in accordance with the provisions of Clause 49 of the Listing Agreement. Your company has complied with all the mandatory requirements of the said clause. The Report on the Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this report.

18. Corporate Social Responsibility

Ministry of Corporate Affairs has notified Section 135 and Schedule VII of Companies Act 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 to come into effect from April 1, 2014 onwards. Your Company has constituted CSR Committee of Directors and the CSR Policy of your Company for the year 2014-15 is being formulated for implementation for compliance of new guidelines and rules.

19. Declaration

The Board has formulated a code of conduct for the Board members and senior management of the Company. All Board members and senior management personnel have affirmed their compliance with the code.

20. Acknowledgements

The Board expresses and places on record their gratitude for the consistent support and guidance given by the promoter institutions namely IFCI Ltd., LIC, SBI and others Banks.

Your Directors wish to place on record their sincere gratitude to valued customers, bankers and members for their continued patronage.

The Board also acknowledges and appreciates the guidance and co-operation extended by the Ministry of Finance, Ministry of Tourism, Government of India, and Reserve Bank of India, Securities & Exchange Board of India, Stock Exchanges and Depositories.

The Board also appreciates and acknowledges the contribution made by the employees whose concerted efforts and dedicated services contributed to sustained growth and performance of the Company.

For and on behalf of the Board of Directors

V.P. Singh
(Director)

Surender Kumar Sangar
(Managing Director)

Date: August 7, 2014

Place: New Delhi.



CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

Corporate Governance refers to the blends of laws, regulations and voluntary practices by which companies are directed and controlled to enhance their wealth generation capacity whereby stakeholders' aspiration and societal expectations are met. It is the application of best management practices, compliance of laws and adherence to ethical standards to achieve the organisational goal of enhancing stakeholder value. The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship & disclosures serve as means of implementing the philosophy of corporate governance. The Corporate Governance philosophy of your company is structured to institutionalize policies and procedures that enhance the efficacy of the Board and inculcate a culture of accountability, self discipline, transparency and integrity across the Company. While we go beyond the mandatory provisions of Corporate Governance, the report on statutory compliances in this regard is set forth below:

1. Board of Directors:

The constitution of the Board aims at ensuring Directors commitment to participate in the affairs of the Company with understanding and competence to deal with current and emerging business issues.

The primary role of the Board is that of trusteeship to protect and enhance shareholder's value through supervision. The Board of Directors of your Company represents the interests of the Company's shareholders in optimising long term value by guiding the management. As trustees, the Board ensures that the Company has clear goals relating to shareholders value and its growth. The Board sets strategic goals and seeks accountability for their fulfillment. The Board also provides directions and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder's aspirations as well as societal expectations. The responsibilities of the Board include formation of policies, new initiatives, performance review, control and sanction of cases falling beyond the powers delegated to functionaries of the Company. The Board has also constituted committees and delegated powers for different functional areas. The Board as well as its committees meets at periodical intervals.

The Board consists of 8 Directors as on March 31, 2014 including a Managing Director. Out of 7 Non Executive Directors, it included 2 Nominee Directors, representing Ministry of Finance and Ministry of Tourism, Govt. of India.

The Company follows a structured process of decision making by the Board and its Committees. Meetings

are governed by a structured agenda backed by comprehensive background information to enable the Board to take informed decisions. Agenda Papers are circulated well in advance to all the Board/Committee members. The Board has complete access to all the relevant information of the Company.

During the year, 5 Board Meetings were held on April 27, 2013, June 17, 2013, July 31, 2013, November 6, 2013 and February 12, 2014. The time gap between two Board Meetings was less than four calendar months.

Details regarding the category of Directors, their attendance at Board Meetings and the last Annual General Meeting, number of other Directorships and Committee positions held by them in Companies as on March 31, 2014, are given below:-

Sl. No.	Name of Director	Category of Directorship	No. of Board Meeting Attended	Attendance at Last AGM	No. of other Directorships/ Committee Chairmanships/ Other Memberships*		
					Director ship	Committee	
						Member	Chairman
1	Shri Malay Mukherjee\$	Chairman	1	NA	6	-	-
2	Shri S.B. Nayar^	Chairman	2	Yes	-	-	-
3	Shri Atul Kumar Rai*	Chairman	1	NA	-	-	-
4	Smt. Shashi Sharma@	Managing Director	5	Yes	-	-	-
5	Shri Satpal Arora**	Managing Director	2	NA	4	4	-
6	Smt. Usha Sharma	NEID	1	NO	1	2	-
7	Shri Sanjeev Kumar% Jindal	NEID	4	NO	-	1	1
8	Shri Amrik Singh%	NEID	1	NA	-	-	-
9	Shri R. R. Rai#	NEID	1	NA	-	-	-
10	Shri S. K. Ganguli##	NEID	3	NA	-	-	-
11	Shri Rakesh Kapoor***	NED	0	NA	-	-	-
12	Shri Vivek Nair	NEID	1	Yes	5	3	-
13	Shri R. P. Singh###	NED	0	NA	-	-	-
14	Shri V. P. Singh	NEID	4	Yes	-	1	1
15	Shri S. Ravi@@	NEID	1	NA	7	6	5
16	Shri Niraj Agarwal@@@	NEID	2	Yes	-	1	-



\$ Appointed as an additional director and chairman of the Board w.e.f. 3.1.2014

^Appointed as an additional director and chairman of the Board w.e.f. 31.7.2014. Resigned from the Board vide letter dated December 11, 2013

*Resigned from the Board vide letter dated May 31, 2013

@ Resigned as Director/Managing Director vide letter dated April 3, 2014

**Resigned as Director on July 17, 2013. Appointed as Director/Managing Director on April 9, 2014

%Ministry of Finance vide its letter dated May 29, 2013 has appointed Shri Sanjeev Kumar Jindal, Director, Department of Financial Services, Ministry of Finance, Govt. of India as Government Nominee Director in place of Shri Amrik Singh.

#Resigned as Director w.e.f May 27, 2013

##Retired in AGM held on September 12, 2013

###Resigned as director w.e.f July 29, 2013

@@appointed as an additional director w.e.f November 6, 2013

@@@appointed as director w.e.f. June 17, 2013

***Resigned as Director w.e.f. April 23, 2013

NED : Non-Executive Director

NEID : Non-Executive Independent Director

\$ Retired in AGM held on September 12, 2013

@ appointed as an additional director w.e.f November 6, 2013

%appointed as director w.e.f. 17.6.2013

#Resigned as Director w.e.f May 27, 2013

*Nomination withdrawn by Ministry of Finance vide letter dated May 29, 2013

@@Nominated by Ministry of Finance vide letter dated May 27, 2013.

NEID : Non-Executive Independent Director

The CFO, Statutory Auditors and Internal Auditors are invited to attend the Audit Committee Meetings and the Company Secretary acts as the Secretary of the Committee. The Minutes of the meetings of the Audit Committee are placed before the Board of Directors for the information.

Terms of Reference

The major terms of reference of the Audit Committee are as under:

- (i) Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (ii) Recommending to the Board, the appointment, re-appointment and if required the replacement of the Statutory Auditor and fixation of audit fees.
- (iii) Reviewing, with the management, the annual/ quarterly financial statement before submission to the Board for approval
- (iv) Reviewing with the management, performance of statutory and internal auditors and adequacy of internal control system.

(B) Nomination and Remuneration Committee

i) Composition:

During the year under report, the Nomination and Remuneration Committee of the Board comprised of 3 Non-Executive Independent Director. The Committee did not meet during the year. The names of the members are as follows:

Name of Member	Status
1. Shri V. P. Singh	Non-Executive Independent Director
2. Shri Sanjeev Kumar Jindal	Non-Executive Independent Director
3. Smt. Usha Sharma	Non-Executive Independent Director

ii) Terms of reference:

The Remuneration Committee has been constituted to recommend/review remuneration of Managing Director/Whole-Time-Director based on their expertise, experience, performance and defined assessment criteria.

iii) Remuneration Policy:

Remuneration of employees consists of basic

Notes:

- 1. Other directorship excludes directorship held in Private Companies, Foreign Companies, Companies formed under Section 25 of the Companies Act, alternate directorship and non-corporate institutions.
- 2. Committee positions of only two committees namely Audit Committee and Investors’/Shareholders’ Grievance Committee in only Indian Public Limited Company, whether listed or not, have been considered pursuant to Clause 49 of the Listing Agreement.

2. Board Committee Meetings and Procedures

The Company currently has the following committees in compliance of the listing agreement:

(A) Audit Committee:

(i) Constitution and Composition:

The Audit Committee of the Board has been functional since 1997 and comprised of 4 Non-Executive Directors. The Chairman of the Committee was an independent director. The Committee met 4 times on April 27, 2013, July 31, 2013, November 6, 2013 and February 12, 2014. The attendance of the members at the meetings was as follows:

Sl. No.	Name of member	Status	No. of Meetings	Attended
1.	Shri S.Ravi	@	Chairman (NEID)	1
2.	Shri Sanjeev Kumar Jindal	@@	NEID	2
3.	Shri Niraj Agarwal	%	NEID	1
4.	Shri S. K. Ganguli	\$	Chairman (NEID)	2
5.	Smt. Usha Sharma		NEID	1
6.	Shri R. R. Rai	#	NEID	1
7.	Shri Amrik Singh	*	NEID	1



remuneration, perquisites and performance-linked incentive. The components of total remuneration vary for different cadres and are governed more or less by the structure prevalent in other All-India Financial Institutions. Your Company adopts policies with the objective to motivate employees to excel in their performance and to recognize their contribution.

(iv) (a) Details of remuneration paid to Directors for the year 2013-14:

(i) During the year 2013-14, the Company has not paid any remuneration to Smt. Shashi Sharma who was officiating as Managing Director.

(ii) Incentive is payable to Managing Director/ Whole-Time Director subject to approval by the Remuneration Committee of the Board. During the year under review, no incentive was paid to the Managing Director.

(iii) No severance pay is payable on termination of appointment.

(iv) No Stock Appreciation Rights (SARs) have been granted.

(iv) (b) Details of remuneration paid to Non-Executive Directors

Remunerations by way of sitting fee for attending the meetings of the Board/ Committees thereof were paid as follows:

Name of the Director	Amount (in ₹)
Shri Niraj Agarwal (LIC of India)	59,927
Shri V. P. Singh	1,27,343
Shri Vivek Nair	29,963
Shri S. Ravi	22,472
Shri S. K. Ganguli	67,416
Shri R. R. Rai	22,472

During the year under report, the Company has not paid any remuneration to Non Executive Directors except by way of Sitting Fee which was paid @ ₹13,333/- and ₹6,667/- (plus service tax) per meeting for attending the meetings of Board and its Committees respectively.

(C) Stakeholder Relationship Committee:

i) Composition: During the year under report, the Stakeholder Relationship Committee of the Board comprised of 2 Directors including 1 Non-Executive Independent Directors. The names and the attendance of the members at the meeting were as follows:

Name of Member	Status	No. of Meetings Attended
1. Smt. Shashi Sharma	*	Managing Director 1
2. Shri V. P. Singh		Non-Executive Independent Director 1
3. Shri Satpal Arora	#	Managing Director -

During the financial year 2013-2014, the Committee met once.

*since resigned

#appointed on April 9, 2014

ii) **Terms of reference:** The Committee looks into redressal of shareholders'/investors' complaints related to transfer of shares, non-receipt of Annual Report, Non-receipt of dividend etc.

During the year, 268 complaints were received from the shareholders and were replied/solved to the satisfaction of the shareholders. As on March 31, 2014, no request for transfer/transmission was pending.

3. Other Committees

Share-Transfer Committee

The Company has constituted Share-Transfer Committee to approve transfer/transmission of shares issued by the Company. It also approves issue of duplicate certificates after split/consolidation/renewal and also monitors the investors' grievances. At present, the Share Transfer Committee comprises Managing Director, CFO and Company Secretary. During the year, the Committee had 28 meetings. A report on the meetings of Share Transfer Committee is placed before the Board for information.

4. Functional Committees

The Board is authorized to constitute one or more Functional Committees delegating powers and duties with respect to specific purposes. Meeting of such Committees are held as and when the need arises. Time schedule for holding the meetings of such functional committees are finalized in consultation with the committees members.

Procedure at Committee Meetings

The Company's guidelines relating to Board Meeting are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisor and counsels to the extent it considers appropriate to assist in its works. Minutes of the proceedings of the Committee meetings are placed before the Board meetings for perusal and noting.

5. General Body Meeting:

(A) Location and time where last three Annual General Meetings were held as under :

Financial Year	Date	Time	Location
2012-13	September 12, 2013	11.00 a.m.	Air Force Auditorium, Subroto Park, New Delhi
2011-12	July 18, 2012	2.00 p.m.	Air Force Auditorium, Subroto Park, New Delhi
2010-11	September 13, 2011	2.00 p.m.	Air Force Auditorium, Subroto Park, New Delhi



(B) Details of Special resolution passed in the previous three Annual General Meetings:

AGM Date	Relevant provisions of the Companies Act, 1956	Particulars of Special Resolutions
12.09.2013	Section 224A	Appointment of Statutory Auditors
18.07.2012	Section 224A	Appointment of Statutory Auditors
13.09.2011	Section 224A	Appointment of Statutory Auditors

6. Disclosures

(A) None of the director holds any shares in the Company except Shri Satpal Arora who holds 2200 equity shares of the Company.

(B) There was no case of non-compliance by the Company of any matter related to capital market during the last three years. There were no strictures or penalties, imposed on the Company by Stock Exchanges or SEBI or any other statutory authority for non compliance of any matter related to the Capital market.

(C) Related Party Transactions

Related party transactions during the year have been disclosed as required under the Accounting Standard 18 of the Company (Accounting Standards) Rules, 2006. There was no transaction of material nature with the directors or the management or their subsidiaries or relatives during the year.

(D) Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Company (Accounting Standards) Rules, 2006 and the guidelines issued by Reserve Bank of India from time to time to the extent applicable. The significant accounting policies have been set out in the Notes to the Accounts.

(E) Disclosure on Risk Management

Business Risk Evaluation and Management is an ongoing process within the Company. The Company has framed the Risk Management Policy and risk mitigation procedure, which is periodically reviewed by the Board.

(F) The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement

(G) Means of Communication:

Quarterly results are published in leading English and Hindi newspapers viz. Business Standard/Financial Express, Jansatta etc.

(H) DEVELOPMENTS UNDER THE COMPANIES ACT, 2013

The majority of the provisions of the Companies Act, 2013 became effective w.e.f. April 1, 2014 and accordingly the overall framework of the Corporate Governance has also undergone a major makeover. The various changes in the Corporate Governance framework may be classified as under:

(a) Audit Committee

The provision of the Audit Committee of Directors is mentioned under Section 177 of the Companies Act, 2013. The Section has also provided for the specific terms of reference for the Audit Committee. As per Section 177 of the Companies Act, 2013, the Board of Directors of every Listed Company and such other class or classes of Companies, as may be prescribed, shall constitute an Audit Committee. The Audit Committee shall consist of a minimum of three Directors with Independent Directors forming a majority. In compliance of the same, the Audit Committee has been reconstituted and the existing terms of reference of the Audit Committee has been suitably modified to meet the statutory requirements of both Companies Act, 2013 and the Listing Agreement.

(b) Stakeholders Relationship Committee (SRC) and Nomination and Remuneration Committee (NRC)

The provisions related to the SRC are mentioned under Section 178 of the Companies Act, 2013. As per the provisions of Section 178 of the Companies Act, 2013, a Company which consists of more than 1000 shareholders, debenture holders, deposit holders and any other security holders at any time during the financial year shall constitute a Stakeholders Relationship Committee consisting of a Chairperson who shall be a Non-Executive Director and such other members as may be decided by the Board. The SRC shall consider and resolve the grievances of security holders of the Company. Accordingly, a SRC has been constituted.

The provisions of Section 178 of the Companies Act, 2013 has made it mandatory for certain class of Companies to constitute NRC having three or more Non-Executive Directors out of which not less than one half shall be independent Directors. The basic objective of the NRC is to identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance. The NRC of Directors shall also formulate a Nomination and Remuneration Policy. Accordingly, the Company has constituted a NRC of Directors and formulated the requisite Policy as required under Section 178 of the Companies Act, 2013.

(c) Corporate Social Responsibility (CSR) Committee

The provisions of Section 135 of the Companies Act, 2013 requires that every Company having net worth of Rs.500 crore or more, or turnover of Rs.1000 crore or more, or a net profit of Rs.5 crore or more during any financial year shall constitute a CSR Committee of Directors consisting of three or more Directors out of which at least one Director shall be Independent Director. The provisions of the Section also requires the CSR Committee of Directors to formulate and recommend a Policy to the Board which shall indicate the activities to be undertaken by the Company as specified in Schedule



VII of the Companies Act, 2013. Accordingly, a CSR Committee has been constituted and the Policy is being formulated.

7. Reconciliation of Share Capital Audit

A Qualified Practising Company Secretary carried out quarterly Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital of the Company. The audit confirmed that the total issued/paid up capital of the company was in agreement with the aggregate of the total number of shares in physical form and dematerialized forms with NSDL and CDSL.

8. Code of Conduct

The Board has formulated a code of conduct for the Board Members and Senior Management Personnel of the Company. The same has also been posted on the website of the Company. The code has been circulated to all the members of the Board and Senior Management Personnel and the compliance of the same is affirmed by them annually. All Board Members and Senior Management Personnel have affirmed their compliance with the code.

9. General Shareholders’ Information company Registration Details

The Company is registered in the State of Delhi. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65910DL1989PLC034812.

9.1 ANNUAL GENERAL MEETING is proposed to be held on September 22, 2014 at 11:00 am at Air Force Auditorium, Subroto Park, New Delhi-110010.

9.2 Financial calendar(tentative)

Financial Year: April 1, 2014 to March 31, 2015

Results for the quarter ending:

- June 30, 2014 - July/August, 2014
- September 30, 2014 - October/November, 2014
- December 31, 2014 - January/February, 2015
- March 31, 2015 - April/May, 2015
- Annual General Meeting - September, 2015

9.3 Date of Book Closure

September 16, 2014 to September 22, 2014

9.4 Dividend Payment

Credit / dispatched between October 17, 2014 to October 21, 2014.

9.5 Listing on Stock Exchanges

1. Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001.
2. National Stock Exchange of India Ltd.
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051

9.6 Stock-Market price data for the year 2013-2014

TFCI Share Price (in ₹)

Month & Year	BSE		NSE	
	High	Low	High	Low
Apr-13	24.30	21.25	24.10	20.60
May-13	24.50	22.55	24.55	22.80
Jun-13	25.85	22.00	25.80	22.10
Jul-13	24.75	20.65	24.65	20.35
Aug-13	21.90	17.65	21.95	17.65
Sep-13	21.40	18.55	21.20	19.05
Oct-13	21.40	19.15	21.40	18.90
Nov-13	23.00	20.50	22.95	20.25
Dec-13	23.60	21.00	23.50	21.00
Jan-14	25.15	20.60	25.10	20.75
Feb-14	25.10	20.60	25.00	20.65
Mar-14	25.45	22.45	25.45	21.40

Stock code: BSE: 526650, NSE: TFCILTD
Demat ISIN code: INE305A01015

9.7 Performance in comparison to broad-based indices:
TFCI’s share-price performance relative to NSE Nifty and BSE Sensex during the year 2013-14.

	(% change) TFCI’s share Price	(% change) Index	(% change) TFCI relative to index
BSE Sensex	+11.00%	+18.85%	-7.85%
NSE Nifty	+10.98%	+17.98%	-7.00%

9.8 Registrar and Share-Transfer Agent:

The Company has engaged MCS Share Transfer Agent Ltd., a SEBI registered Share-Transfer Agent, as Registrar and Share Transfer Agent (RTA) for processing the transfer of securities issued by the Company located at F-65, 1stFloor, Okhla Industrial Area, Phase-I, New Delhi-110020. RTA acknowledges and executes transfer of securities, arranges for issue of dividend/interest warrants. RTA also accepts, deals with and resolves complaints of shareholders and bondholders.

9.9 Share-Transfer System:

All the transfers are processed by the Registrar and Share Transfer Agents and are approved by the Share Transfer Committee. Pursuant to Clause 47(c) of the Listing Agreement with the Stock exchanges, certificates on half year basis have been issued by a Company Secretary-In-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company



Secretary-in Practice for timely dematerialization of the shares of the Company and for conducting Secretarial Audit on a quarterly basis for re-conciliation of the share capital of the Company.

9.10 Distribution of Shareholding as on March 31, 2014

No. of Shares	No. of Share-holders	% of Share-holders	No. of shares held	% of share capital
1 - 500	54439	91.05	6940915	8.60
501 – 1000	2736	4.58	2374341	2.94
1001 – 2000	1236	2.07	1969437	2.44
2001 – 3000	439	0.73	1142766	1.42
3001 – 4000	191	0.32	703907	0.87
4001 – 5000	240	0.40	1156931	1.43
5001 - 10000	294	0.49	2247795	2.79
10001 - 50000	169	0.28	3609512	4.47
50001 – 100000	21	0.04	1546746	1.92
100001 and above	23	0.04	59024398	73.12
	59788	100.00	80716748	100.00

9.11 Categories of Shareholders as on March 31, 2014

CATEGORY	SHARES	% OF SHARES
1. Promoters/Promoters Group		
(i) IFCI Ltd.	34304266	42.50
(ii) State Bank of India	7416296	9.19
(iii) LIC	6213180	7.70
(iv) Bank of India	3790024	4.70
(v) United India Insurance Co. Ltd.	1198002	1.48
(vi) The Oriental Insurance Co. Ltd.	1041999	1.29
Total Shareholding of Promoters and Promoter Group	53963767	66.86
2. Other Financial Institutions and Banks	225400	0.28
3 Mutual Funds	3200	0.00
4. FIIs	195000	0.24
5. NRIs	409671	0.51
6. Bodies Corporate	4645243	5.75
7. General public and others	21274467	26.36
TOTAL	80716748	100.00

9.12 Dematerialization of Shares

Sl. No.	Electronic/physical	Mode of holding %
1.	NSDL	90.04
2.	CDSL	6.66
3.	Physical	3.30
	TOTAL	100.00

Trading in Equity Shares of the Company is permitted only in dematerialized form. As on March 31, 2014, 96.70% of Company’s total equity shares

representing 7,80,52,030 Equity Shares were held in dematerialized form and the balance shares were in physical form.

9.13 Outstanding GDR/ADR/Warrants or any Convertible instruments: Nil

9.14 Plant Location: Not applicable. TFCI is a financial institution having its Registered & Corporate office at Delhi and branch/liaison office at Mumbai.

9.15 Address for correspondence:

The Company’s Registered office is situated at:

IFCI Tower, 61 Nehru Place,

New Delhi-110019

Phone No.: 011-41732000 Fax:011-26291152

Email: ho@tfciltd.com, Website: www.tfciltd.com

Designated Email-id for investors’ queries: **complianceofficer@tfciltd.com**

The Company’s other office is situated at:

9th Floor, Earnest House. Nariman Point, Mumbai - 400021

Phone: 022- 61293428

Shareholders’ correspondence should be addressed to:

MCS Share Transfer Agent Ltd.,

Registrar and Transfer Agent,

F-65, 1st Floor, Okhla Industrial Area Phase I, New Delhi-110 020

Phone: 011-41406149/51/52, Fax:011-41709881

Email: admin@mcsdel.com

Shareholders holding shares in electronic mode should address their entire correspondence to their respective Depository Participants (DP).

10. Review of Directors’ Responsibility Statement

The Board, in its Report, has confirmed that the annual accounts for the year ended March 31, 2014 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

11. Compliance Certificate of the Auditors

The Statutory Auditorshave issued certificate confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement. The same is attached to the Directors’ Report forming part of the Annual Report.

12 Management Discussion and Analysis

Management’s Discussion & Analysis forms part of the annual report.

13 Managing Director/CFO Certification

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Managing Director and the Chief Financial Officer of the Company also give quarterly certification on financial results while placing financial results before the Board in terms of the Clause 41 of the Listing Agreement.



Management's Discussion and Analysis

1. Business and Economic Environment

The year 2013 again has been a very turbulent year for the Indian economy. The \$1.8-trillion Indian economy suffered its worst slowdown in over a decade with growth below 5 per cent for the year 2013 due to various domestic as well as international factors. Persistent inflation and low investments coupled with external factors like the speculation of quantitative easing, or roll back of stimulus by the US Federal Reserve, dampened growth and created macro-economic upheavals.

Gross Domestic Savings (GDS) at current prices in 2012-13 was Rs.30.4 trillion against Rs.28.2 trillion in 2011-12, constituting 30.1% of GDP at market prices, against 31.3% in the previous year. The decrease in the rate of GDS in the current year has mainly been due to the decrease in the rates of savings of household sector from 15.8% to 14.8% and private corporate sector from 7.3% to 7.1%. The rate of gross capital formation, including valuables, representing the investment rate at current prices, declined to 34.8% in 2012-13 from 35.5% in 2011-12. India suffered a high fiscal deficit of US\$ 88 billion (4.8% of GDP) in the year 2012-13. The pace of decline in investment momentum can be gauged from the declaration of new investment proposals. As per the data from CMIE, cumulative value of new investment proposals stood at around Rs.3.96 trillion during FY 2014 compared to around Rs.20 trillion and Rs.22.5 trillion during FY 2008 and FY 2009 respectively and was lowest since FY 2006. The pipeline of new project has reduced during the recent quarters and the value of stalled/shelved projects (worth Rs.2.6 trillion as on end Dec, 2013) has reached alarmingly high level. The main impact had been on refinery and petroleum sector, transport services, steel, commercial complexes, hotel & restaurants, machinery, automobiles and telecommunication services amongst others.

The delay in execution of projects in infrastructure and other sectors have resulted in the cost overrun and reduced rate of return on investments. It has adversely impacted the entire financial system. As slowing economy and delayed projects resulted in cost overrun and repayment issues, the lenders had to restructure loans, creating pressure in terms of higher NPAs/stressed assets.

The impact of the fall in private corporate investments on Gross Domestic Products (GDP) is manifold through the multiplier effect. For the current financial year the country's GDP growth is expected to be at 5.5 percent, after falling below 5% in FY 2013-14. As project clearances are expected to translate into investment, global growth outlook

improves, and inflation softens, a moderate paced recovery is likely to shape in the next year with support from rural demand, a pick-up in exports and some turnaround in investment demand. Industry growth is likely to accelerate to 3.8 percent during FY 2015.

Services sector has not been immune from the overall slowdown. However, Services Exports may prove an exception mainly due to expected growth in demand of IT services in the West. In 2014-15, the services sector growth is projected at 5.6 percent. The trade, hotel, transport and communication sectors are projected to grow by 3.5 percent, as against 5.1 percent in the previous financial year. The services sector, including finance, insurance, real estate and business services sectors, is likely to grow 11.2 percent this year compared with 10.9 percent in 2012-13.

2. Industry Structure and Development

Tourism makes a larger economic contribution to the global economy than some notable high profile sectors. With over \$18 bn earnings, tourism has emerged as India's fourth biggest foreign exchange earner after exports of petroleum at \$60.8 bn, gems and jewellery (\$43.3 bn) and transport equipment's (\$18.3 bn). It is an important industry to support as a potential tool for economic development. In an economic setting where different regions in India experience differing levels of growth, tourism seems to be the constant for all regions, in that tourism impacts all of them to a great economic extent. With what is widely considered to be one of the largest sectors for tourism growth potential, the impact of tourism on the Indian economy is impressive.

This year, the global economic slowdown across all markets along with rupee devaluation saw Indian travellers opting for domestic holidays and short weekend getaways. While there was a marginal growth in the number of Foreign Tourist Arrivals (FTAs) to India, Industry believes the foreign exchange earnings from tourism is likely to grow at 13 percent per annum and touch USD 26 billion by 2015. Despite the slowdown in the economy and rupee devaluation, the Indian travel industry continued to experience decent Meetings, Incentives, Conference and Exhibitions (MICE) movements in 2013. Industry experts believe that in 2014, the situation will improve and incentive travel will gain momentum.

The number of foreign tourists coming to India grew a modest 4% between January and December 2013, India's total foreign tourist arrivals in 2013 stood at Rs.6.84 million. Foreign exchange earnings from tourism in 2013 grew 2.2 percent to \$18.1 billion, compared to a growth of 7% in the previous years.



As economies grow and visa restrictions ease, both domestic and inbound travels are expected to see good growth. According to industry experts, tourists will opt for hotels in the mid-range segment, due to which four- and five-star hotels will have to reduce prices to ensure better occupancies. Other segments which will see good growth are the adventure and sports segments with better facilities being offered at destinations where these activities are undertaken.

However, the tourism industry is likely to have another challenging year ahead. The impact of global economic slowdown and slow job creation in US economy in particular is a cause for concern. However, the loss will be compensated as domestic segment is on the upswing and is going to remain as the main source of income for the travel trade. This segment is however, plagued with challenges particularly related to infrastructure constraints and lack of intelligent connectivity which are the obvious handicaps for achieving the full potential of the segment.

For FY 2015, the Indian economy is likely to achieve GDP growth rate of around 5.5%. The need is to explore synergies between the governments-the State and the Centre. Further, the states among themselves should keep exploring the various possibilities to jointly work and promote tourism in India and also abroad. The best way forward is to look at the possibility of promoting niche tourism, such as golf, medical and rural tourism.

3. Opportunities and threats

Tourism plays an important role in economic development and creation of jobs in India. Tourism has the potential to stimulate other economic activities through its forward and backward linkages with a host of sectors like agriculture, manufacturing, transport, hospitality, education, health, banking etc. Continuing world prosperity, growing recognition of tourism's contribution to employment and economic growth, availability of better infrastructure, focused marketing and promotional efforts, liberalization of air transport; growing intraregional cooperation and more effective Public-Private-Partnership are seen as the key drivers for tourism in the coming time. It is imperative to point out that India has the advantage of a strong domestic tourism base which was 1036.35 million tourism visits in 2012. This base is growing continuously on the back of a rapidly rising middle class with increased disposable income and awareness.

Your Company is well poised to take advantage of the growing opportunities in the tourism and hospitality sector by expanding and diversifying its operations in line with its business strategy of maintaining sustainable and continuous growth in operations and performance. In addition to the normal project financing activities, your Company will continue to explore possibilities for

new businesses for short and medium term with the aim of establishing a niche market for itself in products like short and medium term loans against liquid securities, take out finance, promoters' funding etc. With the growth in the tourism sector, your Company expects ample opportunities in future where the Company can involve itself in appraisal, advisory services, syndication of debts etc. resulting in non-fund based income for the Company. Similarly with further opportunities likely to arise in infrastructure, real estate, service and other related sectors, the company can expect increase in business volume in short to medium term.

New Initiatives

In view of the prevailing challenging environment, TFCI decided to explore and exploit possibilities for diversification and expansion into adjacent and parallel financial areas to ensure continuous growth in business and financial parameters. TFCI is approaching its erstwhile good customers who may have financial requirements for renovation, modernization or expansion. TFCI is exploring corporates with satisfactory financial background for short-term loans to enable quick disbursements. Your Company, during the last few years has been pursuing to expand its portfolio by not only extending financial assistance to new hospitality projects for renovation, upgradation but also has been actively pursuing consultancy assignments for various state governments by drafting tourism policy, other project advisory services for tourism destination/circuit development.

The overall inflationary conditions in the market has pushed up the cost of funds and in turn, impacted the profit margins of the Company. Your Company also faces competition from banks that have access to large amount of funds at lower cost in comparison to your company, being an NBFC. However, owing to growth in the balance sheet size and keeping the level of NPAs within control, your Company expects to improve its top and bottom line in a consistent manner. Though the existing infrastructure in the country is improving steadily, a lot remains to be achieved if the momentum in the growth of the industry is to be maintained. The tourism sector in the country has been experiencing huge deficit in quality human resources which is a bottleneck in the improvement of country's tourism potential. Tourism industry is also prone to external threats like law and order problems, domestic insurgency, terrorism and global political & economic scenario situations which adversely affect the sector. Your Company actively follows prudent managerial and business practices to overcome such situations successfully.

4. Performance

The operational performance of the Company has improved over the previous year as detailed in para 3



of the Directors' Report. The Company with a view to withstand the operational and market risk associated with the industry, proposes to diversify its operations in other related sectors including entertainment, real-estate and infrastructure sectors in participation with other lenders.

5. Outlook

Tourism is the largest service industry in India. Tourism is not only a growth engine but also an employment generator. It provides 6-7 per cent of the world's total jobs directly and millions more indirectly through the multiplier effect as per the UN's World Tourism Organization (UNWTO). According to the Planning Commission, the hospitality sector creates more jobs per million rupees of investment than any other sector of the economy. According to World Travel & Tourism Council (WTTC), India's travel and tourism sector is expected to be the second-largest employer, employing 40,37,000 people, directly or indirectly, by 2019.

Travel & Tourism's total contribution to the global economy rose 9.5% in 2013 to USD 7 tn. The total contribution of Travel & Tourism to Indian GDP was Rs.6,631.6 bn, (6.2 percent of GDP) in 2013, and is forecast to rise by 7.3 percent in 2014 and further rise by 7.0 percent per annum to Rs.13,983 bn (6.8 percent of GDP in 2024) as per World Travel and Tourism Council report. As per the report, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry, was 7.7 percent of total employment that is 35,438,500 jobs which is expected to rise by 2.7 percent in 2014 to 36,409,000 jobs.

In terms of growth in international tourism receipts, India has clocked a CAGR of 12.9% which is higher as compared to 9.5% at Asia-Pacific level and 6.1% globally. The number of foreign tourists coming to India grew a modest four per cent between January and December 2013 and has almost touched seven million in 2013 as per the estimates provided by the Ministry of Tourism, Government of India. The safety issue had taken a toll on the growth of tourist numbers. According to industry estimates, nearly 30 percent of the total foreign tourists are women who have been lately skipping India because of so many incidents with ladies that came to light last year.

The activities in the hospitality industry truly reflect the happenings of the overall economy. The FY 2014, was a tough year for the tourism and hospitality sector. Hospitality industry felt the heat of slowdown, with corporates tightening their purse strings. Recently, a large numbers of foreign players have entered into the hospitality sector – especially hotels and thereby creating disproportionate growth in supply of hotel rooms compared to the growth in demand in key markets. The latter resulted in panic sale by hoteliers impacting

the ADRs (Average Daily Rate) and RevPARs. The slide in value of the rupee against the dollar, negative sentiments on the overall industry front, policy paralysis at the government level, all added to complexities. The country is witnessing an unprecedented growth in hotel constructions and will be adding almost 114,000 hotel guest rooms to its inventory over the next five years. There was a lot of pressure on business mainly because of supply overhang during 2013, leading to around 70 of hotels on the block for sale across India. A number of projects in the pipeline were shelved/ deferred and those under implementation were delayed.

The country's foreign exchange earnings from the tourism sector are likely to grow at 13% per annum and touch \$26 billion by 2015 from the current level of \$20 billion annually. The year 2014 will see lots of budget and economy hotels emerge. The growth in the luxury segment will be negligible. Smaller towns will see growth in mid-market hotels. With the efforts of Ministry of Tourism (MOT), Govt. of India such as international travel mart and ad campaigns, domestic Tourism has grown by leaps and bounds in recent years and tourists are now interested to explore new destinations.

Since tourism is a multi-dimensional activity, and basically a service industry, it would be necessary that all wings of the Central and State governments, private sector and voluntary organizations become active partners in the endeavour to attain sustainable growth in tourism if India is to become a world player in the tourist industry.

With the signs of economy showing early signs of revival and political stability on the horizon the outlook for tourism industry in the long run remain positive.

6. Risks and concerns:

The risk management philosophy and policy of the company is an embodiment of the Company's approach to understand measure and manage risk and aims at ensuring sustained growth of healthy asset portfolio. This would entail adopting leadership approach in products and segments well understood by the Company. An innovative approach is undertaken in high-risk areas by taking limited exposure and optimizing return. The Company has robust credit risk framework which provides a scientific method for assessing credit risk rating of a client. Further, the mapping of internal rating grades vis-à-vis external rating agencies' grades has been undertaken. The output of the rating models is used in the decision making. TFCI regularly monitors portfolio distribution in terms of Low Risk, Medium Risk and High Risk categories.

Credit risk: Credit risk occurs when borrower(s), as a counter party, fails to meet its contractual obligations. Credit risk applies not only to loans, but



also to other on and off-balance sheet exposure such as guarantees, acceptances and investments in securities. Project lending involves certain inherent risks in a developing economy where long-term macro-economic adjustments towards stability are still in progress. Projects under implementation are prone to time and cost overruns, sometimes due to factors beyond the control of the borrower. These factors may include changes in industrial/economic policies affecting the viability of projects adversely and/or cost escalation owing to inflation. Project failure may also occur due to adverse market situations and/or mismanagement. Your Company is making all efforts to identify such risks and factors by constantly reviewing and improving appraisal techniques, sensitivity analysis as well as other factors i.e. Project's ability to withstand changes, expertise and experience of the borrowers to cope with the adverse situations. Your Company continues to give utmost priority to its credit appraisal mechanism and building up quality assets. The monitoring and supervision of the projects is done on a continuous basis and conscious efforts are made continuously to improve recovery, ensure greater control over financed projects and reduce credit risks.

Interest-rate risk: Interest-rate risks arise out of mismatches between interest-rate-sensitive assets and liabilities. The Company manages such risks by fixing lending interest rates at a level linked to its average cost of borrowings and by constantly monitoring the maturity pattern of its assets and liabilities.

Liquidity risk: Liquidity risk arises out of lack of adequate funds in its day-to-day operations. The Company manages the liquidity risk through prudent resource planning to ensure the availability of adequate funds at all times to meet its obligations on its liabilities as well as disbursements on due dates.

7. Internal control systems and their adequacy:

The Company has an Internal Audit System commensurate with its size and nature of the business activities aimed at achieving efficiency of operations, management of resources, accuracy and promptness of financial reporting and compliance with laws and regulations. The framework of the system comprises of a well-defined organizational structure, authority levels, documented policy/guidelines/procedures, management reviews etc. The internal audit is carried out by independent firm of Chartered Accountants and covers all the key areas of the Company's operations. The internal audit reports and the adequacy of internal controls are reviewed by the Audit Committee of the Board of Directors. Asset-Liability Committee of the Company reviews regularly the liquidity/gap and interest-rate-sensitivity analysis.

8. Discussion on financial performance

The Financial and other operational performance of the Company under review has been discussed in detail in the Director's Report.

9. Material Developments in human resources/ industrial relations front, including number of people employed

Financial Services sector is a knowledge intensive sector where employees' skills form a critical aspect in proper service delivery. The nature of your Company's business requires trained employees. In pursuance of the Company's commitment to develop and retain the best available talent, the Company had been regularly sponsoring the employees for training programmes organized by professional institutions for upgrading the skill and knowledge in different functional areas. Your company has offices in Delhi and Mumbai to provide effective & prompt service to the clients and also for constant follow-up with assisted units in these regions. The work force strength of your Company as on March 31, 2014 was 32.



Managing Director (MD) / Chief Financial Officer (CFO) Certification

We, S.P. Arora, Managing Director (MD) and B. M. Gupta, Chief Financial Officer (CFO) of Tourism Finance Corporation of India Ltd., certify to the Board that:

- a. We have reviewed financial statements and the cash-flow statement for the year and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, there are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company’s code of conduct.
- c. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have informed to the Auditors and the Audit Committee;
 - i. There has not been any significant change in internal control over financial reporting during the year;
 - ii. There has not been any significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. We are not aware of any instance, during the year, of significant fraud with involvement therein, of the management or any employee having a significant role in the Company’s internal control systems over financial reporting.

Place : New Delhi
Date : May 9, 2014

(B.M. Gupta)
Chief Financial Officer

(S.P. Arora)
Managing Director

Declaration by the Managing Director under Clause 49(1D) of Listing Agreement

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel for the financial year ended March 31, 2014.

Place : New Delhi
Date : May 9, 2014

(S.P. Arora)
Managing Director

Auditors’ Certificate on Corporate Governance

To the Members of Tourism Finance Corporation of India Limited

We have examined the compliance of conditions of Corporate Governance by Tourism Finance Corporation of India Limited for the year ended 31st March, 2014, as stipulated in Clause 49 of Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For V C Gautam & Co.
Chartered Accountants
Firm Reg. No: 000365N

Place: New Delhi
Date: May 9, 2014

Vishnu Gautam
Partner
M.No.: 016257



APPENDIX TO DIRECTORS' REPORT

TYPE OF PROJECTWISE AND PURPOSE WISE CLASSIFICATION OF FINANCIAL ASSISTANCE SANCTIONED

(₹ in Lakhs)

Purpose	New		Expansion		Ren./Eq. Finance		Exp/Reno/ Acq./Restr.		Total	
	No	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
5 STAR HOTEL	0	0	0	0	0	0	6	18000	6	18000
	78	137575	16	17876	15	6808	27	53377	136	215636
4 STAR HOTEL	2	7000	0	0	0	0	0	0	2	7000
	45	62746	6	7457	5	1995	4	1590	60	73788
3 STAR HOTEL	4	10500	0	0	0	0	0	0	4	10500
	250	142392	22	12587	11	3743	39	24907	322	183629
2 STAR HOTEL	1	1200	0	0	0	0	0	0	1	1200
	24	10338	1	388	1	90	2	323	28	11139
HERITAGE	0	0	0	0	0	0	0	0	0	0
	17	3764	3	1030	2	425	2	586	24	5805
UNCLASSIFIED	0	0	0	0	0	0	0	0	0	0
	2	1210	0	0	1	24	1	56	4	1290
AMUSEMENT PARK/ SHOPPING COMPLEX- CUM-ENT. CENTRE/ WATER PARK/ MULTIPLEX/ ACTIVITY CENTRE/ INTIGRATED	1	2500	0	0	0	0	0	0	1	2500
	34	31183	3	190	0	0	4	1417	41	32790
RESTAURANT	0	0	0	0	0	0	0	0	0	0
	16	5544	3	1835	3	109	2	1805	24	9293
TOURIST CARS/ COACHES	0	0	0	0	0	0	0	0	0	0
	2	241	3	1326	2	600	1	5000	8	7167
RTDC/PALACE ON WHEELS	0	0	0	0	0	0	0	0	0	0
	2	2150	0	0	1	1000	1	500	4	3650
OTHERS	1	5000	0	0	0	0	8	23886	9	28886
	34	43085	3	3600	3	5273	21	55815	61	107773
INFRASTRUCTURE PROJECTS	0	0	0	0	0	0	0	0	0	0
	2	6300	1	3000	0	0	2	4500	5	13800
TOTAL	9	26200	0	0	0	0	14	41886	23	68086
	506	446528	61	49289	44	20067	106	149876	717	665760

Normal - Current Year (2013-2014)

Highlighted - Cumulative



INDEPENDENT AUDITORS' REPORT

To,
The Members of
Tourism Finance Corporation of India Limited
Report on the Financial Statements

We have audited the accompanying financial statements of Tourism Finance Corporation of India limited ('the Company'), which comprise the Balance Sheet as at 31 March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and Notes to Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, Implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our Information and according to the explanations given to us, the financial statements give the Information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- b) In the case of the Statement of Profit and Loss of the profit

for the year ended on that date: and

- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by section 227(3) of the Act, we report that.
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013;
 - e) On the basis of written representations received from the directors as on 31 March 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act .

For **V C Gautam & Co.**
Chartered Accountants
Firm Reg. No: 000365N

Vishnu Gautam

Partner

M.No.: 016257

Place: New Delhi

Date: May 9, 2014

ANNEXURE TO THE AUDITOR'S REPORT

For the annexure referred to in our report of even date to the members of **Tourism Finance Corporation of India Limited** for the year ended 31st March 2014; we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification as compared to book records.
 - (c) The company has not disposed off any substantial part of its fixed assets during the period under report
- (ii) The nature of the company's business/activities/ transactions does not require it to hold inventories.



Hence, the provisions of Clause 4(ii) (a), (b) & (c) of the Order are not applicable to the Company

(iii) (a) The company has not granted any loan, secured or unsecured, to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of Clause, 4(iii) (b, c & d) of the Order are not applicable to the Company.

(b) The company has not taken any loan, secured or unsecured, from the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of Clause 4(iii) (e, f & g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the Information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for sale of services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system of the Company.

(v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the register required to be maintained under section 301 of the Companies Act, 1956. Hence, the provisions of Clause 4(v) (b) of the Order are not applicable to the Company.

(vi) The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable to the Company.

(vii) In our opinion, the company has an Internal audit system commensurate with its size and nature of its business and activities.

(viii) According to Information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of business carried out by the Company. Therefore, provisions of Clause 4(viii) of the Order are not applicable to the Company.

(ix) (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other material statutory dues as applicable to it.

(b) According to the Information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrear as at 31st March, 2014 for a period of more than six months from the date they become payable.

(c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Sales Tax, Income Tax, Excise Duty and cess as at 31st March 2014 which have not been deposited on account of a dispute are as follows:

Name of Statute	Assessment Year(s)	Amount (In Rs.)	Forum where the dispute Is pending
Income Tax	2008-09	1,38,51,455*	ITAT Delhi
Income Tax	2009-10	3,12,56,600	ITAT Delhi
Income Tax	2010-11	4,46,54,522	CIT(Appeals) Delhi XIX
Income Tax	2011-12	2,95,89,500	CIT(Appeals) Delhi XIX

*ITAT Delhi, while hearing TFCI appeal, referred back the matter to the Assessing Officer (DCIT) to decide the matter afresh by giving the assessee an opportunity of being heard.

(x) The Company has no accumulated losses as at 31st March, 2014 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

(xi) In our Opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or bond holders.

(xii) We are of the opinion that the Company has maintained adequate records where the Company has granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities

(xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, Clause 4(xiii) of the Order is not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

(xv) As per the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) According to the Information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.

(xviii) According to the information and explanation given to us, during the year the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act.

(xix) During the period covered by our audit report, the Company has not issued unsecured bonds on which no security or charge is required to be created.

(xx) The Company has not raised any money by public issue during the year therefore clause 4(xx) of the Order is not applicable to the company.

(xxi) Based upon the audit procedure performed for the purpose of reporting true and fair view and on the basis of the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For V C Gautam & Co.
Chartered Accountants
Firm Reg. No: 000365N

Vishnu Gautam
Partner
M.No.: 016257

Place: New Delhi
Date: May 9, 2014



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF TOURISM FINANCE CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2014.

The preparation of financial statements of Tourism Finance Corporation of India Limited for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 9 May 2014.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditor on the accounts of Tourism Finance Corporation of India Limited for the year ended 31 March 2014 and as such have no comments to make under section 619 (4) of the Companies Act, 1956.

**For and on behalf of the
Comptroller and Auditor General of India**

Sd/-

**(Naina A Kumar)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board-II,
New Delhi**

Place: New Delhi

Date: 6.6.2014



BALANCE SHEET AS AT 31ST MARCH, 2014

(In ₹)

PARTICULARS	NOTE NO.	AS AT 31 MARCH, 2014		AS AT 31 MARCH, 2013	
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	2	80,71,67,480		80,71,67,480	
(b) Reserves and Surplus	3	<u>3,55,75,02,550</u>	4,36,46,70,030	<u>3,39,28,87,638</u>	4,20,00,55,118
(2) Non-Current Liabilities					
(a) Long Term Borrowings	4	8,61,50,00,000		8,06,50,00,000	
(b) Deferred Tax Liability (Net)	12	19,32,89,346		-	
(c) Other Long Term Liabilities	5	59,89,600		59,89,600	
(d) Long Term Provisions	6	<u>7,77,42,345</u>	8,89,20,21,291	<u>7,19,78,056</u>	8,14,29,67,656
(3) Current Liabilities					
(a) Short Term Borrowings	7	-		2,34,28,934	
(b) Other Current Liabilities	8	23,10,05,142		1,42,48,77,198	
(c) Short Term Provisions	9	<u>13,02,78,013</u>	36,12,83,155	<u>12,91,07,706</u>	1,57,74,13,838
TOTAL			<u><u>13,61,79,74,476</u></u>		<u><u>13,92,04,36,612</u></u>
II. ASSETS					
(1) Non Current Assets					
(a) Fixed Assets	10				
(i) Tangible Assets		30,19,51,383		31,64,26,962	
(ii) Intangible Assets		5,06,000		10,12,000	
(b) Non Current Investments	11A	68,68,76,003		24,51,26,003	
(c) Deferred Tax Assets (Net)	12	-		5,14,35,024	
(d) Long Term Loans and Advances	13	<u>9,45,95,23,633</u>	10,44,88,57,019	<u>9,53,60,88,225</u>	10,15,00,88,214
(2) Current Assets					
(a) Current Investments	11B	66,20,04,971		1,56,32,88,981	
(b) Cash and Cash Equivalents	14	8,18,39,112		1,05,08,241	
(c) Short term Loans & Advances	13	2,27,05,81,305		2,09,76,54,127	
(d) Other Current Assets	15	<u>15,46,92,069</u>	3,16,91,17,457	<u>9,88,97,049</u>	3,77,03,48,398
TOTAL			<u><u>13,61,79,74,476</u></u>		<u><u>13,92,04,36,612</u></u>

Significant Accounting Policies

The Notes No. 1 to 35 are integral part of these financial statements

for and on behalf of the Board

As per our report of even date

for V C Gautam & Co.

(Chartered Accountants)

Firm Regn. No. 000365N

(S. Ravi)

Director

(S. P. Arora)

Managing Director

(Malay Mukherjee)

Chairman

(Vishnu Gautam)

Partner

M.No. 016257

(Sanjay Ahuja)

Company Secretary

(B. M. Gupta)

Chief Financial Officer

Date : May 9, 2014

Place : New Delhi



TOURISM FINANCE CORPORATION OF INDIA LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2014

PARTICULARS	NOTE NO.	(In ₹)	
		YEAR ENDED 31 MARCH 2014	YEAR ENDED 31 MARCH 2013
Revenue			
I. Revenue from Operations	16	1,84,05,88,018	1,79,86,70,362
II. Other Income	17	3,20,15,537	2,53,30,455
III. Total Revenue (I +II)		1,87,26,03,555	1,82,40,00,817
IV. Expenses:			
Employee benefit expenses	18	6,38,14,556	6,45,25,896
Finance costs	19	80,77,60,434	88,51,63,861
Depreciation and Amortization expense	10	1,77,06,875	1,73,19,095
Other expenses	20	9,66,62,346	7,26,45,714
Provision/(Written Back) for doubtful debts/investments		4,60,00,000	6,00,00,000
Total Expenses		1,03,19,44,211	1,09,96,54,566
V. Profit before exceptional & extraordinary items and tax (III - IV)		84,06,59,344	72,43,46,251
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		84,06,59,344	72,43,46,251
VIII. Extraordinary items		-	-
IX. Profit before tax (VII - VIII)		84,06,59,344	72,43,46,251
X. Tax expense:			
(1) Current Tax	23,81,50,000		18,87,00,000
(2) Deferred Tax Liability/(Asset)	1,75,19,522	25,56,69,522	(1,96,11,301)
XI. Profit/(Loss) from the period from continuing operations (IX - X)		58,49,89,822	55,52,57,552
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (after tax) (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		58,49,89,822	55,52,57,552
XVI. Earning per equity share			
(1) Basic		7.25	6.88
(2) Diluted		7.25	6.88

Significant Accounting Policies

The Notes No. 1 to 35 are integral part of these financial statements

for and on behalf of the Board

As per our report of even date
for V C Gautam & Co.

(Chartered Accountants)
Firm Regn. No. 000365N

(S. Ravi)
Director

(S. P. Arora)
Managing Director

(Malay Mukherjee)
Chairman

(Vishnu Gautam)
Partner
M.No. 016257

(Sanjay Ahuja)
Company Secretary

(B. M. Gupta)
Chief Financial Officer

Date : May 9, 2014
Place : New Delhi

**NOTE No. 1****SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Accounting:**

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the requirements of the Companies Act, 1956 and in compliance with the applicable accounting standards referred to in sub-section (3C) of the section 211 of the said Act. The accounting policies, except stated otherwise, have been consistently applied by the Company. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

2. Revenue Recognition:

For recognition of revenue, the Company adopts the accrual basis except where there is uncertainty as to collection. Income on "Non-Performing Assets" is accounted on realisation. Dividend Income is recognized on actual receipt basis.

Revenue from lease rentals are recognised on a time proportion basis from the commencement date, as prescribed in the lease agreement entered with the lessees.

3. Fixed Assets and Depreciation:

- a) Fixed Assets are shown at historical cost less accumulated depreciation.
- b) Depreciation on assets is provided on the Written Down Value Method at the rates prescribed under Schedule XIV to the Companies Act, 1956.
- c) Intangible assets are amortised over the expected duration of benefit or 10 years, whichever is lower. Accordingly computer software is amortised over a period of 5 years

4. Investments:

- a) The Company acquires shares and securities in the normal course if its business and accordingly purchases and sales made during the year are not required to be disclosed under Schedule VI Part I (l). Transaction details of Investments in units, that are not investment in body corporate, are also not shown separately except opening & closing stock.
- b) The cost of acquisition of investments is arrived at after adjusting front-end fee/underwriting commission received on subscription/development.
- c) The investments are categorized into "Long Term Investments" and "Current Investments" as per Accounting Standard-13 on "Accounting for investments" referred to in Section 211(3C) of the companies Act, 1956 for Investments.
- d) The investment under "Current Investments" are valued on the basis of market value/break up value or cost whichever is lower.
- e) The investment under "Long Term Investments" are valued at cost less permanent diminution in value, wherever applicable, for each individual Investment.

5. Loans to Companies :

- a) Pursuant to the prudential norms of the Reserve Bank of India for the purposes of the revenue recognition and provisioning, loans given have been treated as performing and non-performing based on the record of recovery of interest/ installments. Payments received upto the Balance Sheet date have been considered for treating the account as performing.
- b) General provision for standard & substandard assets and specific provision for doubtful assets and loss assets is being made in accordance with applicable RBI guidelines. However,

the Board of Directors, as a matter of prudence has decided to make additional provision against outstanding assets portfolio maximum upto 4% of the total assets outstanding in addition to the provisions as per RBI guidelines. The balance in the Special Reserve created in terms of Section 36(1)(viii) of the Income-tax Act, 1961, is also available to cover any loss on loans given.

6. Retirement Benefits :**a) Gratuity:**

The company has a defined employee benefit scheme in the form of gratuity. Accordingly the Company has taken a Group Gratuity scheme with the Life Insurance Corporation of India (LIC) for which the insurance premium is accounted for as an expense in the Profit & Loss account. The insurance premium is determined on the basis of actuarial valuation of the available fund with LIC under the policy and the year end obligation under the scheme.

b) Provident Fund:

Contribution to the Provident Fund as per provisions of Employees Provident Fund Act 1952 is remitted to the P.F. Commissioner and is charged to the Profit & Loss Account.

c) Leave Encashment:

Leave Encashment benefits (short term compensated absences) are provided on the basis of calculations made by the Company based on average encashable salary of the Employees.

7. Taxation & Deferred Taxation:

The provision for taxation & deferred taxation is made as per the income tax act 1961 and Accounting Standard 22, as issued by ICAI, respectively. The Deferred Tax Liability has been recognized for current year on the basis of amount transferred to Special Reserve u/s 36(1)(viii) of Income Tax Act as on 31.03.2014 in terms of the RBI Circular No DBOD No. BP.BE 77/21.04.018/2013-14 dated 20th December 2013.

8. Lease:

Leases where the Lessor effectively retains substantially all risks and benefits of ownership are classified as operating leases. Operating Lease payments are charged to the statement of Profit & Loss.

9. Earning Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

10. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

11. Cash Flow:

Cash flows are reported using indirect method whereby a profit before tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated.

12. The ALM Statement has been prepared as per RBI Guidelines.



TOURISM FINANCE CORPORATION OF INDIA LIMITED

NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note

No. Particulars	As At 31 March, 2014	As At 31 March, 2013
2 SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
25,00,00,000 Equity Shares (P. Y. 25,00,00,000) of ₹10/- each	2,50,00,00,000	2,50,00,00,000
25,00,00,000 Cumulative Redeemable Preference Shares (P. Y. 25,00,00,000) of ₹10/- each	2,50,00,00,000	2,50,00,00,000
TOTAL	5,00,00,00,000	5,00,00,00,000
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
8,07,16,748 Equity Shares (P.Y. 8,07,16,748) of ₹10/- each Fully Paid Up	80,71,67,480	80,71,67,480
TOTAL	80,71,67,480	80,71,67,480

Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share

Reconciliation of Issued Share Capital	No of Shares	Amount	No of Shares	Amount
Equity shares outstanding at the begining of the year	8,07,16,748	80,71,67,480	8,07,16,748	80,71,67,480
Issued During year	-	-	-	-
Brought Back During year	-	-	-	-
Equity shares outstanding at the end of the year	8,07,16,748	80,71,67,480	8,07,16,748	80,71,67,480

Shareholders holding more than 5% of Shares in the company

	No of Shares	% of shares	No of Shares	% of shares
(a) IFCI Ltd.	3,43,04,266	42.50%	3,43,04,266	42.50%
(b) State Bank of India	74,16,296	9.19%	74,16,296	9.19%
(c) Life Insurance Corporation of India	62,13,180	7.70%	62,13,180	7.70%

3 RESERVES AND SURPLUS

(a) Capital Reserve

Balance at the beginning of the year	11,55,000	11,55,000
Add: Current Year Transfer	-	-
Less: Written Back in Current period	-	-
Balance at the end of the year	11,55,000	11,55,000

(b) Security Premium Reserve

Balance at the beginning of the year	62,34,68,170	63,95,49,680
Add: Current Year Transfer	-	-
Less: Utilised during the year	-	1,60,81,510
Balance at the end of the year	62,34,68,170	62,34,68,170

(c) Special Reserves

(i) Under Section 36(1)(viii) of the Income Tax Act 1961

Balance at the beginning of the year	1,07,90,33,000	93,18,33,000
Add: Current Year Transfer	16,37,00,000	14,72,00,000
Less: Written Back in Current period	-	-
Balance at the end of the year	1,24,27,33,000	1,07,90,33,000

(ii) Under Section 45 IC of RBI Act, 1934

Balance at the beginning of the year	36,69,66,000	25,59,14,000
Add: Current Year Transfer	11,69,98,000	11,10,52,000
Less: Written Back in Current period	-	-
Balance at the end of the year	48,39,64,000	36,69,66,000



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

		(In ₹)	
Note			
No.	Particulars	As At 31 March, 2014	As At 31 March, 2013
	(iii) Under Section 36(1)(viia) of the Income Tax Act 1961		
	Balance at the beginning of the year	7,71,49,000	4,68,49,000
	Add: Current Year Transfer	3,70,00,000	3,03,00,000
	Less: Utilisation in Current period	7,98,48,590	-
	Balance at the end of the year	<u>3,43,00,410</u>	<u>7,71,49,000</u>
	(e) General Reserve		
	Balance at the beginning of the year	1,04,92,09,294	94,92,09,294
	Add: Current Year Transfer	20,00,00,000	10,00,00,000
	Less: Deferred tax liability on a/c of Reserve created u/s 36(1)(viii) of Income Tax Act 1961, from FY 1998 to FY 2013 (Prior Period)	22,72,04,848	-
	Balance at the end of the year	<u>1,02,20,04,446</u>	<u>1,04,92,09,294</u>
	(f) Surplus in Profit and Loss Statement		
	Balance at the beginning of the year	19,59,07,174	14,17,74,850
	Add: Current Year Transfer	58,49,89,822	55,52,57,552
	Less: Provision u/s 36(1)(viia) of the Income Tax Act 1961	3,70,00,000	3,03,00,000
	Less: Special reserve u/s 36(1)(viii) of the Income Tax Act 1961	16,37,00,000	14,72,00,000
	Less: Special reserve u/s 45 IC of the RBI Act, 1934	11,69,98,000	11,10,52,000
	Less: General reserve	20,00,00,000	10,00,00,000
	Less: Proposed Dividend	9,68,60,098	9,68,60,098
	Less: Provision for Dividend tax	1,64,61,374	1,57,13,130
	Balance at the end of the year	<u>14,98,77,524</u>	<u>19,59,07,174</u>
	GRAND TOTAL	<u>3,55,75,02,550</u>	<u>3,39,28,87,638</u>
4	LONG TERM BORROWINGS		
	a) Bonds		
	- Un Secured		
	9.65% Bonds (2023) (Series MB XLVI-C)	75,00,00,000	75,00,00,000
	750 Nos of 9.65% Bonds of ₹10,00,000/- each Redeemable at par on 25 February 2033		
	9.60% Bonds (2023) (Series MB XLVI-B)	1,00,00,00,000	1,00,00,00,000
	1000 Nos of 9.60% Bonds of ₹10,00,000/- each Redeemable at par on 25 February 2028		
	9.50% Bonds (2023) (Series MB XLVI-A)	50,00,00,000	50,00,00,000
	500 Nos of 9.50% Bonds of ₹10,00,000/- each Redeemable at par on 25 February 2023		
	9.95% Bonds (2022) (Series MB XLV)	75,00,00,000	75,00,00,000
	750 Nos of 9.95% Bonds of ₹10,00,000/- each Redeemable at par on 21 August 2022		
	9.95% Bonds (2022) (Series MB XLIV)	75,00,00,000	75,00,00,000
	750 Nos of 9.95% Bonds of ₹10,00,000/- each Redeemable at par on 01 July 2022		
	9.65% Bonds (2022) (Series MB XLIII)	56,50,00,000	56,50,00,000
	565 Nos of 9.65% Bonds of ₹10,00,000/- each Redeemable at par on 19 April 2022 With call option after 7 years (i.e 19 March 2019)		



TOURISM FINANCE CORPORATION OF INDIA LIMITED

NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No. Particulars	As At 31 March, 2014	As At 31 March, 2013
10.20% Bonds (2021) (Series MB XLII) 1000 Nos of 10.20% Bonds of ₹10,00,000/- each Redeemable at par on 16 November 2021	1,00,00,00,000	1,00,00,00,000
10.15% Bonds (2021) (Series MB XLI) 1000 Nos of 10.15% Bonds of ₹10,00,000/- each Redeemable at par on 01 September 2021	1,00,00,00,000	1,00,00,00,000
8.90% Bonds (2020) (Series MB XXXX) 500 Nos of 8.90% Bonds of ₹10,00,000/- each Redeemable at par on 29 November 2020	50,00,00,000	50,00,00,000
TOTAL	<u>6,81,50,00,000</u>	<u>6,81,50,00,000</u>
SUBORDINATE DEBT		
9.50% Bonds (2019) [Series MB XXXVIII] 750 Nos of 9.50% Bonds of ₹10,00,000/- each Redeemable at par on 30 April 2019	75,00,00,000	75,00,00,000
9.50% Bonds (2019) [Series MB XXXIX] 250 Nos of 9.50% Bonds of ₹10,00,000/- each Redeemable at par on 30 April 2019	25,00,00,000	25,00,00,000
TOTAL	<u>1,00,00,00,000</u>	<u>1,00,00,00,000</u>
TOTAL Bonds	<u>7,81,50,00,000</u>	<u>7,81,50,00,000</u>
b) Term Loans from Banks		
- Secured (Secured By Hypothecation of Book Debts/future receivables)		
Canara Bank	-	25,00,00,000
Terms Loan is Repayable on 28 Mar. 2016 - ₹ 7,50,00,000/-		
Terms Loan is Repayable on 28 Mar. 2017 - ₹ 7,50,00,000/-		
Terms Loan is Repayable on 28 Mar. 2018 - ₹ 10,00,00,000/-		
State Bank of India	80,00,00,000	-
Terms Loan is Repayable on 30 Sep. 2015 - ₹ 5,80,00,000/-		
Terms Loan is Repayable on 31 Dec. 2015 - ₹ 5,80,00,000/-		
Terms Loan is Repayable on 31 Mar. 2016 - ₹ 5,80,00,000/-		
Terms Loan is Repayable on 30 Jun. 2016 - ₹ 5,80,00,000/-		
Terms Loan is Repayable on 30 Sep. 2016 - ₹ 5,80,00,000/-		
Terms Loan is Repayable on 31 Dec. 2016 - ₹ 5,80,00,000/-		
Terms Loan is Repayable on 31 Mar. 2017 - ₹ 5,80,00,000/-		
Terms Loan is Repayable on 30 Jun. 2017 - ₹ 5,80,00,000/-		
Terms Loan is Repayable on 30 Sep. 2017 - ₹ 8,40,00,000/-		
Terms Loan is Repayable on 31 Dec. 2017 - ₹ 8,40,00,000/-		
Terms Loan is Repayable on 31 Mar. 2018 - ₹ 8,40,00,000/-		
Terms Loan is Repayable on 30 Jun. 2018 - ₹ 8,40,00,000/-		
TOTAL	<u>80,00,00,000</u>	<u>25,00,00,000</u>
GRAND TOTAL	<u>8,61,50,00,000</u>	<u>8,06,50,00,000</u>
5 OTHER LONG TERM LIABILITIES		
Security Deposits Received	49,89,600	49,89,600
Advance received from customers	10,00,000	10,00,000
TOTAL	<u>59,89,600</u>	<u>59,89,600</u>



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2014	As At 31 March, 2013
6	LONG TERM PROVISIONS		
	Provision for Employee Benefits	2,17,42,345	2,04,78,056
	Contingent Provision Against Standard Assets	5,60,00,000	5,15,00,000
	Balance at the beginning of the year	5,15,00,000	3,98,00,000
	Add: Current Year Transfer	45,00,000	1,17,00,000
	Less: Written Back in Current period	-	-
	Balance at the end of the year	5,60,00,000	5,15,00,000
	TOTAL	7,77,42,345	7,19,78,056
7	SHORT TERM BORROWINGS		
	- Secured		
	Bank Overdraft (Secured By Hypothecation of Book Debts/Future receivables)	-	2,34,28,934
	TOTAL	-	2,34,28,934
8	OTHER CURRENT LIABILITIES		
	Current Maturities of Long Term Borrowings		
	- Bonds (Un Secured)	-	1,02,08,00,000
	Interest Accrued but not due on Borrowings	14,97,06,106	16,84,81,645
	Unclaimed Dividend	1,25,61,866	1,04,62,532
	Advance received from customers	4,77,534	72,37,152
	Statutory Dues	37,96,356	38,40,183
	Security Deposits Received	45,65,340	45,65,340
	Book Overdraft	-	14,93,29,369
	Other Payables	22,940	2,85,977
	Amount Received Pending Adjustment	5,98,75,000	5,98,75,000
	TOTAL	23,10,05,142	1,42,48,77,198
9	SHORT TERM PROVISIONS		
	Provision for Employee Benefits	1,35,98,562	1,37,33,162
	Other Provisions		
	- Proposed Dividend (including dividend distribution tax)	11,33,21,472	11,25,73,228
	- Provision for Expenses	33,57,979	28,01,316
	TOTAL	13,02,78,013	12,91,07,706



Note No. 10
FIXED ASSETS AS AT 31ST MARCH, 2014

(in ₹)

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at 01/04/2013	Addition	Deletions	As at 31/03/2014	As at 01/04/2013	Addition	Deletion	As at 31/03/2014	As at 31/03/2013
Tangible Assets									
Leased Assets									
Plant & Machinery	1,30,33,143	-	-	1,30,33,143	1,30,33,143	-	-	1,30,33,143	-
Furniture & Fixture	31,08,500	-	-	31,08,500	31,08,500	-	-	31,08,500	-
Vehicles	69,66,857	-	-	69,66,857	69,66,857	-	-	69,66,857	-
Sub Total A	2,31,08,500	-	-	2,31,08,500	2,31,08,500	-	-	2,31,08,500	-
Other Assets									
Land (Mussorie)	1,33,84,350	-	-	1,33,84,350	-	-	-	1,33,84,350	1,33,84,350
Building									
- Building (Mussorie)	4,48,46,990	-	-	4,48,46,990	8,90,796	21,97,810	-	30,88,606	4,17,58,384
- Building (NBCC Plaza)	20,62,01,760	-	-	20,62,01,760	4,64,47,484	79,87,714	-	5,44,35,198	15,17,66,562
- Building (SCOPE Minar)	13,59,39,017	-	-	13,59,39,017	4,66,52,499	44,64,326	-	5,11,16,825	8,48,22,192
Furniture & Fixture	1,11,31,316	9,95,762	40,000	1,20,87,078	73,18,268	7,27,781	12,014	80,34,035	40,53,043
Office Equipment	51,83,591	63,850	46,300	52,01,141	34,73,284	2,44,269	12,410	37,05,143	14,95,998
Electricals	30,99,982	11,02,138	-	42,02,120	16,12,816	2,41,251	-	18,54,067	23,48,053
Computers	1,22,80,446	4,92,100	11,48,682	1,16,23,864	1,04,84,046	7,38,249	10,03,229	1,02,19,066	14,04,798
Vehicles	42,00,287	-	-	42,00,287	29,61,584	3,20,700	-	32,82,284	9,18,003
Sub Total B	43,62,67,739	26,53,850	12,34,982	43,76,86,607	11,98,40,777	1,69,22,100	10,27,653	13,57,35,224	30,19,51,383
Total C = (A+B)	45,93,76,239	26,53,850	12,34,982	46,07,95,107	14,29,49,277	1,69,22,100	10,27,653	15,88,43,774	30,19,51,383
Intangible Assets									
Computer Software	25,30,000	2,78,775	-	28,08,775	15,18,000	7,84,775	-	23,02,775	10,12,000
Sub Total D	25,30,000	2,78,775	-	28,08,775	15,18,000	7,84,775	-	23,02,775	10,12,000
Grand Total C+D	46,19,06,239	29,32,625	12,34,982	46,36,03,882	14,44,67,277	1,77,06,875	10,27,653	16,11,46,499	31,74,38,962
As on 31.03.2013	40,33,29,869	6,00,19,149	14,42,779	46,19,06,239	12,80,15,217	1,73,19,095	8,67,035	14,44,67,277	31,74,38,962



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2014			As At 31 March, 2013		
		Face Value	Nos	Amount	Face Value	Nos	Amount
11A	NON CURRENT INVESTMENTS						
	Long Term Investments						
	Quoted						
a)	Investments in Secured Bonds						
	8.76% IFCI Ltd - Tax Fee Bonds - Series I	1000000	500	50,00,50,000	-	-	-
	Non-Trade / Unquoted						
b)	Investments in Equity Instruments						
	- Associates						
	North East Tourism Development Company Pvt. Ltd.	10	2600	26,000	10	2600	26,000
	- Others						
	Cross Country Hotels Ltd.	10	250000	24,62,500	10	250000	24,62,500
	Balaji Hotels Ltd.	10	170000	2,55,00,000	10	170000	2,55,00,000
	Hotel Parag Ltd.	10	826258	82,62,580	10	826258	82,62,580
	Assets Care Enterprises Ltd.	10	2040000	2,04,00,000	10	2040000	2,04,00,000
	Shell Inn International Limited	10	13000000	13,00,00,000	10	13700000	13,70,00,000
	TOTAL			<u>18,66,51,080</u>			<u>19,36,51,080</u>
c)	Investment in Preference Shares						
	IFCI Ltd.	10	2000000	2,00,00,000	10	2000000	2,00,00,000
	0.10% Redeemable Cumulative Preference Shares						
	Royale Manore Hotel & Industries Ltd	100000	14	14,00,000	100000	77	77,00,000
	4% Optionally Convertible Preference Shares						
	Appu Hotels Ltd	10	1500000	1,50,00,000	10	6000000	6,00,00,000
	6% Redeemable Cumulative Preference Shares						
	TOTAL			<u>3,64,00,000</u>			<u>8,77,00,000</u>
	GRAND TOTAL (a+b+c)			<u>72,31,01,080</u>			<u>28,13,51,080</u>
	Less: Provision for Diminution in Value of investments			<u>3,62,25,077</u>			<u>3,62,25,077</u>
	Net Long Term Investments			<u>68,68,76,003</u>			<u>24,51,26,003</u>
	Aggregate Amount of Un Quoted Investments			<u>22,30,51,080</u>			<u>28,13,51,080</u>
11B	CURRENT INVESTMENTS						
	Quoted						
a)	Equity Shares						
	Nicco Parks and Resorts Ltd.	1	990918	14,86,377	1	991030	14,86,545
	Viceroy Hotels Ltd.	10	200000	2,00,00,000	10	200000	2,00,00,000
	Punjab Woolcombers Ltd.	10	2500	21,500	10	2500	21,500
	Reliance Power Ltd.	10	12275	34,52,400	10	12275	34,52,400
	IFCI Ltd.	10	12576393	36,84,20,087	10	12576393	36,84,20,087
b)	Units of Liquid Mutual Funds (Debt oriented Schemes)			<u>6,75,00,000</u>			-
	Un-Quoted						
c)	Certificate of Deposit						
	State Bank of Mysore	-	-	-	1000000	2500	22,98,18,500
	Axis Bank	1000000	2500	24,40,49,250	1000000	2500	24,60,71,250
	Punjab National Bank	-	-	-	1000000	5000	49,03,86,000
	Punjab National Bank	-	-	-	1000000	2500	24,58,70,500
	Total Current Investments (a+b+c)			<u>70,49,29,614</u>			<u>1,60,55,26,782</u>
	Less: Provision for Diminution in Value of investments			<u>4,29,24,643</u>			<u>4,22,37,801</u>
	Net Current Investments			<u>66,20,04,971</u>			<u>1,56,32,88,981</u>
	Aggregate Amount of Quoted Investments			<u>46,08,80,364</u>			<u>39,33,80,532</u>
	Aggregate Market Value of Quoted Investments			<u>41,79,55,721</u>			<u>35,11,42,731</u>
	(also refer note no. 1)						



TOURISM FINANCE CORPORATION OF INDIA LIMITED

NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note

No.	Particulars	As At 31 March, 2014		As At 31 March, 2013	
12	DEFERRED TAX ASSETS/(LIABILITY) NET				
	Deferred tax asset due to:				
a)	Provision for doubtful debts and advances		7,39,34,853		5,13,66,568
b)	Provision for diminution in value of investments		2,04,46,272		1,93,47,534
	Deferred tax liability due to:				
a)	Depreciation		(1,87,81,935)		(1,65,55,448)
b)	Provision u/s 36(1)(viii) of Income Tax Act 1961		(4,22,87,639)		-
c)	Change/Revaluation of Earlier Year Timing Difference		6,03,950		(27,23,630)
d)	Provision u/s 36(1)(viii) of Income Tax Act 1961 (Prior Period)		(22,72,04,848)		-
	TOTAL		(19,32,89,346)		5,14,35,024
13	LONG TERM LOANS & ADVANCES				
	Secured (Considered Good)	Non Current Portion	Current Maturities	Non Current Portion	Current Maturities
	Loan to Companies	9,44,10,38,422	2,22,89,31,445	9,39,47,12,829	1,99,94,88,838
	Debentures	28,67,274	3,20,50,000	6,24,31,274	9,38,27,000
	Aggregate Loans to Companies (Gross Loans) (Secured by Hypothecation of Assets)	9,44,39,05,696	2,26,09,81,445	9,45,71,44,103	2,09,33,15,838
	Less: Provision for Doubtful Loans	23,02,09,770		15,68,14,347	
	TOTAL	9,21,36,95,926	2,26,09,81,445	9,30,03,29,756	2,09,33,15,838
	Unsecured (Considered Good)				
	Loan to Staff				
	Loans to Employees	6,10,52,043	39,70,116	5,24,40,397	31,34,143
	Security Deposits	5,13,093	-	3,78,093	-
	Loans to Employees	-	-	-	4,27,000
	Advance to Employees	-	10,000	-	87,000
	Other receivables & Advances	-	56,19,744	-	6,90,146
	Advance Income Tax and TDS (Net of Provisions)	18,42,62,571	-	18,29,39,979	-
	TOTAL	9,45,95,23,633	2,27,05,81,305	9,53,60,88,225	2,09,76,54,127
13A	Outstanding letter of comfort issued against undisbursed term loan ₹ 2,00,00,000/- (P.Y. ₹ 2,00,00,000/-)				
14	CASH AND CASH EQUIVALENTS				
	a) Cash and cash equivalents				
	- Balances with Banks				
	Current Accounts		52,75,102		-
	Deposit accounts		6,40,00,000		-
	Cash In Hand		2,144		45,709
	b) Other Bank Balances				
	- Unclaimed Dividend Accounts		1,25,61,866		1,04,62,532
	TOTAL		8,18,39,112		1,05,08,241
15	OTHER CURRENT ASSETS				
	Interest accrued on Investments		24,69,489		22,67,890
	Interest accrued and due on loans and advances		8,95,44,929		2,43,78,792
	Interest accrued but not due on loans and advances		6,25,54,787		7,05,94,720
	Service Tax Paid (Unutilised Balance Cenvat Credit)		1,22,864		16,55,647
	TOTAL		15,46,92,069		9,88,97,049



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

		(In ₹)	
Note			
No. Particulars	Year Ended 31 March, 2014	Year Ended 31 March, 2013	
16 REVENUE FROM OPERATIONS			
Interest on Loans & Deposits	1,74,76,36,159	1,73,82,93,049	
Other Fees & Charges	7,05,01,870	3,05,83,350	
Dividend Received	1,36,70,371	2,06,50,081	
Profit on Sale of Investments	53,43,066	54,49,860	
Other Financial Services			
Consultancy Income	34,36,552	36,94,022	
TOTAL	1,84,05,88,018	1,79,86,70,362	
17 OTHER INCOME			
Interest on Loans to Staff	27,02,796	26,55,239	
Rental Income	2,70,48,663	2,05,95,205	
Miscellaneous Income	22,64,078	20,80,011	
TOTAL	3,20,15,537	2,53,30,455	
18 EMPLOYEE BENEFIT EXPENSES			
Salaries & Allowances	5,76,19,304	5,19,92,482	
Contribution to Provident Fund	35,39,550	33,20,123	
Contribution to Gratuity	10,77,464	75,77,543	
Staff Welfare Expenses & Others	15,78,238	16,35,748	
TOTAL	6,38,14,556	6,45,25,896	
19 FINANCE COSTS			
Interest on Borrowings	80,77,60,434	88,51,63,861	
TOTAL	80,77,60,434	88,51,63,861	
20 OTHER EXPENSES			
Rent Rates & Taxes	4,09,10,505	3,56,24,037	
Office Upkeep & Maintenance	45,26,360	93,39,122	
Travelling and Conveyance	51,83,976	50,57,992	
Printing and Stationery	6,46,969	7,33,941	
Postage, Telephone and Telex	17,76,319	20,03,851	
Sitting Fee (Directors)	3,52,066	5,86,853	
Membership and Subscription	81,672	1,95,272	
Auditors Remuneration			
- Audit Fee	5,11,061	2,52,811	
- Reimbursement of Expenses	1,12,360	64,490	
Insurance Expenses	3,60,865	3,50,168	
Listing Fee	7,00,117	6,71,133	
Legal and Professional Charges	2,16,78,402	21,36,889	
Rating Fees	54,30,045	84,41,537	
Advertisement & Publicity	13,05,864	14,85,429	
Board Meeting Expenses	13,56,879	1,89,535	
Registrar & Transfer Agent Fee	4,71,533	3,95,974	
AGM Expenses	19,40,462	19,33,000	
Bank Charges	50,03,995	4,702	
Books & Periodicals	2,50,616	2,13,972	
Spending on Corporate Social Responsibility (CSR) Activities	20,60,000	-	
Miscellaneous Expenses	19,73,216	29,33,837	
Loss on Sale of Assets	29,064	31,169	
TOTAL	9,66,62,346	7,26,45,714	



TOURISM FINANCE CORPORATION OF INDIA LIMITED

NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note	Year Ended 31 March, 2014	Year Ended 31 March, 2013
No. Particulars		
21 Contingent liabilities not provided for where order of CIT(Appeals)/ITAT, in similar matters, in previous years, are in favour of the TFCI		
Income Tax	11,93,52,077	8,97,62,577
22 Expenditure in Foreign Currency	NIL	NIL
23 Remuneration to Chairman and/or Managing Directors		
Salary	-	21,56,397
Contribution to Provident fund	-	1,38,900
Perquisites	-	15,28,125
Total	<u>-</u>	<u>38,23,422</u>
24 The Company is engaged mainly in the business of financing. Since all activities are related to the main activity, there are no reportable segments as per Accounting Standard Segment Reporting (AS-17)		
25 The two accounts out of three restructured in F.Y. 2012-13 (agregate outstanding Rs.91,17,50,000) have been regularised, However as per RBI guidelines, the provision against the principal outstanding of Rs.83,42,50,000 as on 31.03.2014 have been provided @ 3.50% instead of 2.75% in previous year. The accounts would be upgraded after 2 years from the date of restructuring and provision would be reversed.		
26 As per RBI Circular No. DBOD No.BP.BE 77/21.04.018/2013-14 dated 20th Dec 2013, TFCI has recognised Deferred Tax Liability (DTL) on special reserve created under Sec 36(1)(viii) of the Income Tax Act by debiting the P&L a/c for the current financial year. However, for the amount allowed by the assessing officer in the respective previous years, deferred tax liability has been created by debiting the General Reserve.		
27 Related Party Disclosure		
As per Accounting Standard – 18, the Company’s related parties and transactions are disclosed below :		
A. Related Parties		
Related Parties	Relation	Transactions
1. IFCI Ltd (Investing Company)	Associate	- Dividend Paid - ₹4,11,65,119/- (P.Y. ₹4,11,65,119/-) - Dividend Received - ₹1,25,96,393/- (P.Y. ₹1,56,60,537/-) - Rent & Other Charges Paid - ₹4,11,03,814/- (P.Y. ₹3,76,36,049/-) - Salaries for Deputation Staff Paid - ₹40,06,817/- (P.Y. Nil) - Salaries for Deputation Staff Received - ₹5,74,821/- (P.Y. Nil) - Investment in Equity Shares of IFCI Ltd Outstanding ₹36,84,20,087/- (P.Y. ₹36,84,20,087/-) - Investment in Preference Shares of IFCI Ltd Outstanding ₹2,00,00,000/- (P.Y. ₹2,00,00,000/-) - Investment in 8.76% Tax Free Bonds of IFCI Ltd Outstanding ₹50,00,50,000/- (P.Y. Nil)
2. North-east Tourism Dev. Co Pvt Ltd (NETDCPL)	Associate	- Dividend Received - ₹2,71,960/- (P.Y. ₹1,30,000/-) - Investment in Equity Shares of NETDCPL Outstanding ₹26,000/- (P.Y. ₹26,000/-)
B. Key Managerial Personnel		
Mrs. Shashi Sharma	Managing Director	NIL
28 Earning per Equity Share		(In ₹)
Particulars	Period Ended 31 March, 2014	Period Ended 31 March, 2013
Net Profit Attributable to Equity Shareholders	58,49,89,822	55,52,57,552
Weighted Average No. of Equity Shares (Nos.)	8,07,16,748	8,07,16,748
Basic Earning Per share of Face Value ₹10/- each	7.25	6.88
Diluted Earning Per share of Face Value ₹10/- each	7.25	6.88
29 Capital Commitments: NIL (Previous Year NIL)		
30 Interest on Loans & Deposits includes profit on sale of units of Debt based Mutual Funds	7,50,22,786	5,34,21,101



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note

No. Particulars	Year Ended 31 March, 2014	Year Ended 31 March, 2013
31	Previous year figures have been regrouped / rearranged wherever considered necessary to make them comparable with the current year's figures.	
32	There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.	
33	Disclosure required in Accordance with AS-19 - Leases	
	A. Assets taken on operating lease:	
	1. The Company has taken Office Premises on non-cancellable operating lease. Minimum lease payments of ₹3,84,69,409/- (P.Y. ₹3,76,36,049/-) are charged to Statement of Profit & Loss during the year.	
	2. Future commitments in respect of minimum lease rentals payable in respect of aforesaid lease entered by the Company are as follows:	
	(In ₹)	
Particulars	Year Ended 31-3-2014	Year Ended 31-3-2013
a) Not later than one year	92,08,080	99,95,458
b) Later than one year but not later than five years	-	-
c) Later than five years	-	-
	B. Assets given on operating lease:	
	Future minimum lease rent receivable by the Company in respect of non-cancellable operating lease for office premises entered by the Company are as follows:	
	(In ₹)	
Particulars	Year Ended 31-3-2014	Year Ended 31-3-2013
a) Not later than one year	99,79,200	2,39,69,758
b) Later than one year but not later than five years	2,74,42,800	3,74,22,000
c) Later than five years	-	-
34	Disclosure required in Accordance with AS-15 - Employees Benefits	
a)	Defined Contribution Plans:	
	The Company has recognised ₹33,59,550/- (P.Y. ₹33,20,123/-) as expense in Statement of Profit & Loss.	
b)	Defined Benefit Plans:	
	Gratuity – As per actuarial valuations as on March 31, 2014 and recognized in the financial statements	
	I Recognised in the Profit & Loss A/c	
	(In ₹)	
1 Current Service Cost	11,97,370	11,78,161
2 Interest Cost	16,70,676	9,78,981
3 Expected Return on Plan Asset	(58,454)	(1,10,089)
4 Past Service Cost	-	-
5 Actuarial (gain)/loss recognized	(17,91,133)	53,11,088
6 Expense recognized in Statement of Profit & Loss / Reserves	10,18,459	73,58,141
	II Net Asset/(Liability) recognized in Balance Sheet	
1 Present Value of Obligation at the year end	1,95,81,524	1,85,63,065
2 Fair Value on Plan Assets	9,41,475	6,63,845
3 Fund Status (Surplus/Deficit)	(1,86,40,049)	(1,78,99,220)
4 Excess of Actual Over Estimate	(58,454)	-
5 Unrecognised Past Service Cost	-	-
6 Net Asset/(Liability) recognized in Balance Sheet	(1,86,40,049)	(1,78,99,220)
	III Change in Present value of Obligations during the year	
1 Present Value of Obligation at the beginning of the year	1,85,63,065	1,22,37,266
2 Current Service Cost	11,97,370	11,78,161
3 Interest Cost	16,70,676	9,78,981
4 Actuarial (gain)/loss on Obligations	(18,49,587)	53,11,088
5 Benefits Paid	-	(11,42,431)
6 Present Value of Obligation at the end of the year	1,95,81,524	1,85,63,065
	IV Change in Fair Value of Assets during the year	
1 Fair Value of Plan Asset at the beginning of the year	6,49,487	12,23,216
2 Expected Return on Plan Asset	58,454	1,10,089
3 Actuarial gain/(loss) on Plan Asset	(58,454)	-
4 Contributions	2,91,988	4,72,971
5 Benefits Paid	-	(11,42,431)
6 Fair Value of Plan Asset at the end of the year	9,41,475	6,63,845



TOURISM FINANCE CORPORATION OF INDIA LIMITED

NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note

No.	Particulars	Year Ended 31 March, 2014		Year Ended 31 March, 2013			
	V Actuarial Assumptions						
	1 Mortality Table	IALM (2006-08)		IALM (1994-96)			
	2 Discount Rate	9%		8%			
	3 Salary Escalation	7%		6%			
	VI Bifurcation of Present Value of Obligation at the end of year as per revised schedule VI to the companies Act						
	1 Current Liability	4,71,551		16,58,856			
	2 Non Current Liability	1,91,09,973		1,69,04,209			
	Total Present Value of Obligation at the end of the year	1,95,81,524		1,85,63,065			
35	The additional information required to be disclosed vide RBI norms - as certified by the management						
35.1	Loans and advances availed (including interest accrued thereon but not paid)						
	Particulars	Outstanding	Overdue	Outstanding	Overdue		
	Debentures (Bonds)						
	- Secured	Nil	Nil	Nil	Nil		
	- Unsecured	7,81,50,00,000	Nil	8,83,58,00,000	Nil		
	Deferred Credits	Nil	Nil	Nil	Nil		
	Term Loans	80,00,00,000	Nil	25,00,00,000	Nil		
	Inter Corporate Deposits	Nil	Nil	Nil	Nil		
	Commercial Papers	Nil	Nil	Nil	Nil		
35.2	Break-up of Loans and Advances including bills receivables (Net of Specific Provision / Write Off), including interest accrued thereon						
	Particulars	Amount Outstanding		Amount Outstanding			
	a) Secured	11,62,74,27,703		11,48,95,48,558			
	b) Unsecured	Nil		Nil			
35.3	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities : NIL						
35.4	Break-up of Investments (Net of Specific Provision / Write Off)						
	A. Current Investments						
	Quoted						
	i) Shares						
	- Equity	35,04,55,721		35,11,42,731			
	- Preference	NIL		NIL			
	ii) Units of Mutual Funds	6,75,00,000		-			
	Un Quoted						
	i) Certificate of Deposits	24,40,49,250		1,21,21,46,250			
	B. Long Term Investments						
	Quoted						
	i) Bonds	50,00,50,000		NiL			
	Un Quoted						
	i) Shares						
	- Equity	15,04,26,003		15,74,26,003			
	- Preference	3,64,00,000		8,77,00,000			
	Total Investments (Current + Long Term)	1,34,88,80,974		1,80,84,14,984			
35.5	Borrower group-wise classification of assets financed as in (35.2) and (35.3) above						
	Particulars	Amount (Net of Specific provision)			Amount (Net of Specific provision)		
		Secured	unsecured	Total	Secured	unsecured	Total
	i) Related Parties						
	- Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
	- Companies in Same Group	Nil	Nil	Nil	Nil	Nil	Nil
	- Other Related Parties	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Other than Related Parties	11,62,74,27,703	11,62,74,27,703	11,62,74,27,703	11,48,95,48,558	11,48,95,48,558	11,48,95,48,558



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note

No.	Particulars	Year Ended 31 March, 2014		Year Ended 31 March, 2013	
35.6	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)				
	Particulars	Market value/ Break up value or Fair Value or NAV	Book Value (Net of Specific provision)	Market value/ Break up value or Fair Value or NAV	Book Value (Net of Specific provision)
	i) Related Parties				
	- Subsidiaries	Nil	Nil	Nil	Nil
	- Companies in Same Group	42,43,29,234	90,88,96,087	36,86,69,857	40,88,46,087
	- Other Related Parties	Nil	Nil	Nil	Nil
	ii) Other than Related Parties	92,45,01,741	51,91,34,607	88,42,31,539	1,47,80,31,775
	TOTAL	<u>1,34,88,30,975</u>	<u>1,42,80,30,694</u>	<u>1,25,29,01,396</u>	<u>1,88,68,77,862</u>
35.7	Other Information				
	i) Gross Non-Performing Assets				
	- Related parties		Nil		Nil
	- Other than related parties		23,00,00,000		12,81,74,113
	ii) Net Non-Performing Assets				
	- Related parties		Nil		Nil
	- Other than related parties		Nil		Nil
	iii) Assets acquired in satisfaction of debt		Nil		Nil
35.8	CRAR				
	i) CRAR (%)		39.86%		37.21%
	ii) CRAR - Tier I Capital (%)		32.05%		29.57%
	iii) CRAR - Tier II Capital (%)		7.81%		7.64%

35.9 ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

(₹ in Crore)

Particulars

As on 31 March, 2014

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
- Borrowings from banks	-	-	-	-	-	40.60	39.40	-	80.00
- Market Borrowings	-	-	-	-	-	-	-	781.50	781.50
Assets									
- Advances	40.45	3.47	2.15	48.29	128.53	400.44	259.43	284.24	1,167.00
- Investments	31.15	1.64	-	-	33.95	-	-	68.14	134.88

35.10 EXPOSURE TO REAL ESTATE SECTOR : Rs. 85.36 CRORES (PREVIOUS YEAR Rs. 35.00 CRORES)

for V C Gautam & Co.
(Chartered Accountants)
Firm Regn. No. 000365N

(S. Ravi)
Director

(S. P. Arora)
Managing Director

(Malay Mukherjee)
Chairman

(Vishnu Gautam)
Partner
M.No. 016257

(Sanjay Ahuja)
Company Secretary

(B. M. Gupta)
Chief Financial Officer

Date : May 9, 2014
Place : New Delhi



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

Particulars	Year Ended 31 March, 2014	Year Ended 31 March, 2013
(In ₹)		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	84,06,59,344	72,43,46,251
Adjustment for :		
Provision write off for Doubtful Debts/Investments	4,60,00,000	6,00,00,000
Depreciation & Amortisation	1,77,06,875	1,73,19,095
(Profit)/Loss On Sale of Assets	29,064	31,169
Operating Cash before working capital changes	90,43,95,283	80,16,96,515
Adjustment for :		
(Increase)/Decrease in Long Term Loans & Advances	(4,27,74,564)	(59,69,61,026)
(Increase)/Decrease in Short Term Loans & Advances	(17,29,27,178)	(69,22,43,286)
(Increase)/Decrease in Non Current Investment	(44,17,50,000)	49,00,000
(Increase)/Decrease in Current Investment	90,05,97,168	(83,57,11,785)
Increase/(Decrease) in Long Term Borrowings	55,00,00,000	47,92,00,000
Increase/(Decrease) in Short Term Borrowings	(2,34,28,934)	2,34,28,934
Increase/(Decrease) in Other Long Term Liabilities	-	(43,20,945)
Increase/(Decrease) in Other Current Liabilities	(1,19,38,72,056)	1,02,44,10,482
Increase/(Decrease) in Long Term Provisions	12,64,289	58,58,674
Increase/(Decrease) in Short Term Provisions	4,22,063	(58,01,699)
(Increase)/Decrease in Other Current Assets	(5,57,95,020)	(9,22,724)
Cash Generated from Operation	42,61,31,051	20,35,33,140
Direct Tax Paid	(23,94,72,592)	(18,80,34,797)
Net Cash Flow from Operating Activities	18,66,58,459	1,54,98,343
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(29,32,625)	(6,00,19,149)
Sale of Fixed Assets	1,78,265	5,44,575
Net Cash used in Investing Activities	(27,54,360)	(5,94,74,574)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Share Capital and Reserves	-	(1,60,81,510)
Payment of Dividend and Dividend Distribution Tax	(11,25,73,228)	(11,25,73,228)
Net Cash used in Financing Activities	(11,25,73,228)	(12,86,54,738)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	7,13,30,871	(17,26,30,969)
Cash and Cash Equivalent at the Beginning of the Year	1,05,08,241	18,31,39,210
Cash and Cash Equivalent at the End of the Year	8,18,39,112	1,05,08,241
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash in hand	2,144	45,709
Balance with Banks		
- Current Accounts	52,75,102	-
- Deposit Accounts	6,40,00,000	-
- Unclaimed Dividend Accounts	1,25,61,866	1,04,62,532
Total Cash and Cash Equivalents (Note 14)	8,18,39,112	1,05,08,241

For and on behalf of the Board

As per our report of even date
for V C Gautam & Co.
(Chartered Accountants)
Firm Regn. No. 000365N

(S. Ravi)
Director

(S. P. Arora)
Managing Director

(Malay Mukherjee)
Chairman

(Vishnu Gautam)
Partner
M.No. 016257

(Sanjay Ahuja)
Company Secretary

(B. M. Gupta)
Chief Financial Officer

Date : May 9, 2014
Place : New Delhi



Date

Company Secretary
Tourism Finance Corporation of India Ltd.
IFCI Tower, 61 Nehru Place,
New Delhi-110019

Sub: Green initiative in Corporate Governance

Dear Sir/Madam.

In view of the MCA Circulars 17/2011 dated 21st April 2011 and 18/2011 dated 29th April 2011. please register my e-mail id in your records for sending all Notices of General Meeting(s), Financial Statements, Annual Reports and other shareholders communications through electronic mode as detailed below:

Ledger folio No.

Full name of 1st registered holder

Name of joint holder(s). if any

Registered address

.....

E-mail id (to be registered)

Contact number

I/we hereby declare that the particulars given herein are true, correct and complete.

On registration. I/we agree to receive all the communication from Tourism Finance Corporation of India Ltd.at the e-mail ID registered in the folio. I/we hereby undertake to promptly inform Tourism Finance Corporation of India Ltd. of any changes to the information provided hereinabove.

Thanking you.

Yours truly.

1st shareholder

2nd joint shareholder

3rd joint shareholder

(Specimen signatures as registered with the Company)

The E-mail id provided shall be updated subject to successful verification of your signatures



Tourism Finance Corporation of India Ltd.

(CIN L65910DL1989PLC034812)

Registered Office: IFCI Tower, 61 Nehru Place, New Delhi-110019

Email: complianceofficer@tfcilt.com website: www.tfcilt.com

Phone: 011-26291151 Fax: 011-26291152

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the registration counter)

DP ID *	
CLIENT ID	
FOLIO NO. *	

I hereby record my presence at the 25th ANNUAL GENERAL MEETING of the Company being held on Monday, September 22, 2014 at 11.00 A.M. at Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010.

NAME OF THE SHAREHOLDER

NAME OF PROXY #

#To be filled in case proxy attends instead of Shareholder

SIGNATURE OF THE SHAREHOLDER/PROXY*

*Strike out whichever is not applicable

NOTE: NO GIFTS OR COUPONS WOULD BE GIVEN TO THE SHAREHOLDERS FOR ATTENDING THE ANNUAL GENERAL MEETING



Tourism Finance Corporation of India Ltd.

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PROXY FORM

NAME OF THE MEMBER(S):
REGISTERED ADDRESS:
E-MAIL ID:
FOLIO NO./CLIENT ID:
DP ID:

I/We, being the member(s) holding shares of the above named company, hereby appoint:

(1) Name: Address:

E-mail Id: Signature:, or falling him/her

(2) Name: Address:

E-mail Id: Signature:, or falling him/her

(3) Name: Address:

E-mail Id: Signature:, or falling him/her

as my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the Twenty Fifth Annual General Meeting of the Company, to be held on Monday, September 22, 2014 at 11.00 A.M. at Air Force Auditorium, Subroto Park, DhaulaKuan, New Delhi-110010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions Matter	For	Against
1	To consider and adopt the audited financial statements of the Company including the Balance Sheet as at March 31, 2014 and the statement of Profit and Loss Account for the year ended March 31, 2014 and the report of the Board of Directors' and Auditors' thereon.		
2	To declare Dividend on Equity Shares.		
3	To appoint a Director in place of Shri Niraj Agarwal (DIN: 06483526), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.		
4	To authorize Audit Committee to fix remuneration of the Statutory Auditors of the Company.		
5	To amend Article 123 of Article of Association of the Company		
6	To Appoint Shri Malay Mukherjee (DIN: 02272425), as Director, liable to retire by rotation		
7	To Appoint Shri S. Ravi (DIN: 00009790), as an Independent Director of the Company not liable to retire by rotation, to hold office for a term upto 3 (Three) consecutive years commencing from April 1, 2014.		
8	To Appoint Shri Vivek Nair (DIN: 00005870), as an Independent Director of the Company not liable to retire by rotation, to hold office for a term upto 3 (Three) consecutive years commencing from April 1, 2014.		
9	To Appoint Shri V.P. Singh (DIN: 03424009), as an Independent Director of the Company not liable to retire by rotation, to hold office for a term upto 3 (Three) consecutive years commencing from April 1, 2014.		
10	To Appoint Shri S. Sridhar (DIN: 00004272), as an Independent Director of the Company not liable to retire by rotation, to hold office for a term upto 3 (Three) consecutive years w.e.f. May 27, 2014, the date of his appointment in the Company.		
11	To Appoint Shri Satpal Arora (DIN:00061420) as Managing Director of the Company w.e.f April 9, 2014 to August 7, 2014 without any remuneration.		
12	To Appoint Shri Surender Kumar Sangar (DIN:06928551), as Managing Director of the Company for a period of 3 years from the date of joining office i.e. w.e.f.August 7, 2014 or till he attain the age of 60 years whichever is earlier		
13	To approve Borrowing Limits for the Company		
14	To approve creation of security against borrowings of the Company.		
15	To approve private placement of bond/debentures etc.		

Signed thisday of 2014

Affix
Revenue
Stamp

Signature of Shareholder(s)

Signature of proxy holder(s)

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the Meeting.**
- For the resolutions, Explanatory Statements and Notes, please refer to the notice of the 25th Annual General Meeting.
- It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in the box before submission.



Tourism Finance Corporation of India Limited

IFCI Tower, 61, Nehru Place, New Delhi 110 019

Phone: 01126291151 Fax: 01126291152

Website : www.tfcilttd.com, E-mail : ho@tfcilttd.com



Tourism Finance Corporation of India Ltd






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FORM A

CIN : L65910DL1989PLC034812

Format of covering letter of the Annual Report to be filed with the Stock Exchanges

1	Name of the Company	Tourism Finance Corporation of India Ltd.
2	Annual financial statement for the year ended	31 st March 2014.
3	Type of Audit Observation	Un-qualified
4	Frequency of Observation	N.A.
5	To be signed by	
	<ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the Company• Audit Committee Chairman	<p> Managing Director TOURISM FINANCE CORPORATION OF INDIA LTD. 13th Floor, IFCI Tower, 61, Nehru Place, New Delhi-110 019.</p> <p> B.M. GUPTA General Manager Tourism Finance Corporation of India Ltd. 13th Floor, IFCI Tower, 61, Nehru Place New Delhi-110 019</p> <p> M-16 257</p> <p></p> <p></p>