

# 32nd ANNUAL REPORT 2020-21



**Tourism Finance Corporation of India Limited**



**BOARD OF DIRECTORS\***



**Shri S. Ravi**  
Non-Executive Chairman  
(Independent Director)



**Shri Anirban Chakraborty**  
Managing Director & CEO



**Shri Shyam Maheshwari**  
Director



**Shri Koppara Sajeeve Thomas**  
Director



**Shri Ravinder Kumar Sood**  
Director



**Shri S. C. Sekhar**  
Independent Director



**Mrs. Thankom T. Mathew**  
Independent Director



**Shri Bapi Munshi**  
Independent Director



## BOARD OF DIRECTORS\*

\*as on September 3, 2021

<b>Shri S.Ravi</b>	Non-Executive Chairman (Independent Director)
<b>Shri Anirban Chakraborty</b>	Managing Director & CEO
<b>Shri Shyam Maheshwari</b>	Non-Executive Director (Promoter Group Category)
<b>Shri Koppara Sajeev Thomas</b>	Non-Executive Director (Promoter Group Category)
<b>Shri R. K. Sood</b>	Non-Executive Director (Representing LIC of India)
<b>Shri S.C. Sekhar</b>	Independent Director
<b>Mrs. Thankom T. Mathew</b>	Independent Director
<b>Shri Bapi Munshi</b>	Independent Director

## EXECUTIVE DIRECTOR

Shri Vasan Paulraj	
Shri Anoop Bali	Chief Financial Officer

## COMPLIANCE OFFICER

Shri Sanjay Ahuja	Company Secretary
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## STATUTORY AUDITORS

M/s Suresh Chandra & Associates  
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: helpdeskdelhi@mcsregistrars.com

## REGISTERED OFFICE

4<sup>th</sup> Floor, Tower 1, NBCC Plaza, Pushp Vihar, Sector-V, Saket, New Delhi-110 017  
Phone No.: 011-47472200, 29561180 Fax: 011-29561171  
Email: ho@tfcilttd.com Website: www.tfcilttd.com  
CIN No.L65910DL1989PLC034812

**HIGHLIGHTS**

(₹ in Lakh)

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
<b>Resources</b>			
Share Capital	8072	8072	
Reserves and Surplus	71090	67280	
Secured Loans	73210	76974	
Unsecured Loans	63150	68150	
<b>Total</b>	<b>215522</b>	<b>220476</b>	
<b>Operations</b>			
	<b>Cumulative</b>	<b>2020-2021</b>	<b>2019-2020</b>
<b>Assistance sanctioned</b>			
Rupee Loan	1203678	46899	47700
Leasing	2491	—	—
Subscription to Equity/Preference Share/ Mutual Fund/Debenture	82070	—	—
Guarantee	1483	—	—
<b>Total</b>	<b>1289722</b>	<b>46899</b>	<b>47700</b>
<b>Assistance disbursed</b>			
Rupee Loan	709831	45727	48335
Leasing	1580	—	—
Subscription to Equity/Preference Share/ Mutual Fund/Debenture	75611	—	—
Guarantee	1443	—	—
<b>Total</b>	<b>788465</b>	<b>45727</b>	<b>48335</b>
<b>Earnings</b>			
Profit before tax	9986	9745	
Profit after tax	8075	8102	
Earning per share (₹)	10.00	10.04	



## NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of the members of Tourism Finance Corporation of India Ltd. will be held on Wednesday, the 29<sup>th</sup> day of September, 2021 at 11.30 a.m., through Video Conferencing (VC)/other Audio Visual Means (OAVM) facility at 4<sup>th</sup> Floor, Tower 1, NBCC Plaza, Sector V, Pushp Vihar, Saket, New Delhi –110 017 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the audited standalone Financial Statements and audited consolidated Financial Statements of the Company for the year ended March 31, 2021 and the report of the Board of Directors' and Auditors' thereon.
2. To consider and declare Dividend on Equity Shares for financial year 2020-21.
3. To appoint a Director in place of Shri Shyam Maheshwari (DIN: 01744054), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company in terms of the provisions of section 139 and other applicable provisions 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 of the Companies Act, 2013 and the Rules made thereunder as amended from time to time read with Reserve Bank of India guidelines and other applicable Rules and Regulations M/s M. Verma & Associates, Chartered Accountants (Firm Registration No. 501433C) be and are hereby appointed as the Statutory Auditors of the Company, to hold office for period of 3 years effective from financial year 2021-22 till the conclusion of Annual General Meeting of financial year 2023-24 at an audit fee of ₹ 7.50 lakh plus applicable tax and that the Audit Committee/ Board of Directors of the Company be and are hereby authorised to modify/fix such remuneration as may be determined in consultation with the auditors.”

### SPECIAL BUSINESS:

#### Item No. 5. Issue of Non-Convertible Bond/Debentures/ other instruments

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, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2012, Guidelines issued by Reserve Bank of India (“RBI”), the Memorandum and Articles of Association of the Company and subject to the rules, regulations, guidelines and circulars issued thereunder from time to time by any Regulatory Authorities, consent of the Members be and is hereby accorded 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 ₹ 750 crore (Rupees Seven Hundred Fifty 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.”

#### Item No. 6. Further Issue of Securities through Qualified Institutional Placement

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 23, 42, 62, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013, (“Companies Act”), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, the Foreign Exchange Management Act, 1999 and rules and regulations framed there under as amended, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, the Foreign Exchange Management (Transfer or Issue of Foreign Security) Regulations, 2004, as amended, the current Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“GOI”) and amended from time to time, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), the uniform listing agreement entered into by the Company with the stock exchanges on which the equity shares having face value of ₹ 10/- each of the Company (“Equity Shares”) are listed, and subject to other applicable rules, regulations



and guidelines issued by Ministry of Corporate Affairs (“MCA”), the Registrar of Companies, Securities and Exchange Board of India (“SEBI”), Reserve Bank of India (“RBI”), GOI, BSE Limited and National Stock Exchange of India Limited (“Stock Exchanges”) and / or any other competent authorities, (herein referred to as “Applicable Regulatory Authorities”), from time to time and to the extent applicable, and subject to such approvals, permissions, consents and sanctions as may be necessary or required from the Applicable Regulatory Authorities in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and / or sanctions, which may be agreed to by the Board of Directors (“Board”, which term shall include any committee thereof which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this Resolution) and in accordance with and subject to the provisions of the Memorandum of Association & Articles of Association of the Company, consent, authority and approval be and is hereby accorded to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), with or without green shoe option, such number of Equity Shares, and/or securities convertible into Equity Shares at the option of the Company and/ or the holders of such securities, and/ or securities linked to Equity Shares, and/ or any instrument or securities representing Equity Shares and/ or convertible securities linked to Equity Shares (all of which are hereinafter collectively referred to as “Securities”) or any combination of Securities in one or more tranches, of private offerings and/or a preferential issue and/or qualified institutions placement or any combination thereof, through issue of placement document or other permissible/requisite offer document to any eligible person, including qualified institutional buyers in accordance with the SEBI ICDR Regulations, foreign/ resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign portfolio investors, qualified foreign investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, stabilizing agents, pension funds and/or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the “Investors”) as may be decided by the Board in its discretion and permitted under applicable laws and regulations, of an aggregate amount not exceeding ₹ 200 crore (Rupees Two Hundred Crore only) or an equivalent amount thereof (inclusive of such premium as may be fixed on such Securities) by offering the Securities at such time or times, at such price or prices, at a discount or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the

Board in its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) as the Board in its absolute discretion may deem fit and appropriate.

**RESOLVED FURTHER THAT** if any issue of Securities is made by way of a qualified institutions placement (“QIP”) in terms of Chapter VI of the SEBI ICDR Regulations (hereinafter referred to as “Eligible Securities” within the meaning of the SEBI ICDR Regulations),

- (a) the allotment of the Eligible Securities, or any combination of Eligible Securities as may be decided by the Board shall be completed within 365 days from the date of passing of the special resolution by the shareholders of the Company or such other time as may be allowed under the SEBI ICDR Regulations from time to time;
- (b) the Equity Shares issued shall rank pari-passu in all respects including entitlement to dividend with the existing Equity Shares of the Company as may be provided under the terms of issue and in accordance with the placement document(s);
- (c) the Eligible Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the SEBI ICDR Regulations;
- (d) the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the issue of Equity Shares and at such price being not less than the price determined in accordance with the pricing formula provided under the SEBI ICDR Regulations;
- (e) in the event the convertible securities are issued to qualified institutional buyers under the SEBI ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities and at such price being not less than the price determined in accordance with the pricing formula provided under the SEBI ICDR Regulations;
- (f) no single allottee shall be allotted more than 50% of the QIP size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations;
- (g) the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated



in accordance with the pricing formula provided under the SEBI ICDR Regulations;

**RESOLVED FURTHER THAT** the issue to the holders of the Securities, which are convertible into or exchangeable with Equity Shares at a later date shall be, inter alia, subject to the following terms and conditions:

- (a) in the event the Company is making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;
- (b) in the event the Company is making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders;
- (c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, if and as required, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted; and
- (d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or re-classification of the Securities into other securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.

**RESOLVED FURTHER THAT** in pursuance of the aforesaid resolution the Equity Shares that may be issued by the Company (including issuance of the Equity Shares pursuant to conversion of any Securities, as the case may be in accordance with the terms of the offering) shall rank pari-passu with the existing Equity Shares of the Company in all respects.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of

additional Securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalize all the terms and conditions and the structure of the proposed Securities, take such steps and to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings and accept any alterations or modification(s) as it may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of the Securities (including in relation to the issue of such Securities in one or more tranches from time to time) and the utilization of the issue proceeds in such manner as may be determined by the Board, subject however, to applicable laws, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as it may deem fit or as the Board may suo moto decide in its absolute discretion in the best interests of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to negotiate, modify, sign, execute, register, deliver including sign any declarations required in connection with the private placement offer letter, information memorandum, draft prospectus, prospectus, the draft offer document, abridged prospectus, offer letter, offer document, offer circular or placement document for issue of the Securities, term sheet, issue agreement, registrar agreement, escrow agreement, underwriting agreement, placement agreement, consortium agreement, trustee agreement, trust deed, subscription agreement, purchase agreement, agency agreement, agreements with the depositories, security documents, and other necessary agreements, memorandum of understanding, deeds, general undertaking/indemnity, certificates, consents, communications, affidavits, applications (including those to be filed with the regulatory authorities, if any) (the "Transaction Documents") (whether before or after execution of the Transaction Documents) together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Transaction Documents (the "Ancillary Documents") as may be necessary or required for the aforesaid purpose including to sign and/ or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched by it under or in connection with the documents to which it is a party as well as to accept and execute any amendments to the Transaction Documents and the Ancillary Documents and further to do all such other acts, deeds mentioned herein as they may deem necessary in connection with the issue of the Securities in one or more tranches from time to time and matters connected therewith.



**RESOLVED FURTHER THAT** the Board be and is hereby authorized to appoint lead managers, underwriters, depositories, custodians, registrars, bankers, lawyers, advisors and all such agencies as are or may be required to be appointed, involved or concerned in the issue and allotment of securities and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any Director(s) or Officer(s) of the Company in such manner as it may deem fit in its absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purpose of the issue and allotment of securities and settle any questions or difficulties that may arise in connection with the aforesaid resolutions.”

#### **Item No. 7 Approval of Related Party Transaction**

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 Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Acts, rules, regulations, guidelines, notifications, clarifications and circulars and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions by any governmental or regulatory authority as may be necessary and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include a duly authorised committee constituted by the Board), consent of the Company be and is hereby accorded to create, offer, issue and allot upto 37,03,700 fully paid-up equity shares of face value of ₹10/- (Rupees Ten) each on a preferential basis to, Pransatree Holdings PTE Limited (PHPL) (wherein Shri Koppara Sajeve Thomas, Non-Executive director representing promoter group holds around 50% shareholding in his name while balance 50% shareholding is held by his wife) at a price not less than the price determined in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and on an arm’s length basis and on such other terms and conditions as the Board may think fit in its absolute discretion.”

#### **Item No. 8 Issuance of Equity Shares by way of Preferential Issue on private placement basis**

To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 23, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and such others rules and regulations made thereunder (including any amendments, statutory modification(s) and/or re-enactment thereof for the time being in force) (the “Act”), the Memorandum and Articles of Association of the Company and any other rules, regulations, guidelines, notifications, circulars and clarifications issued by the Government of India, the Foreign Exchange Management Act, 1999 and rules and regulations framed there under as amended, the Securities and Exchange Board of India (“SEBI”), including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (“Listing Regulations”), the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended (the “Takeover Regulations”) as in force the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (the “SEBI (ICDR) Regulations”) to the extent applicable and approvals including from the BSE Limited and the National Stock Exchange of India Limited (collectively the “Stock Exchanges”) and all other statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable and subject to such approvals, permissions, sanctions and consents as may be necessary and on such terms and conditions (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents as the case maybe) by any other regulatory authorities and which may be accepted by the Board of Directors of the Company (hereinafter referred to as “Board” which term shall be deemed to include any duly constituted / to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot at an appropriate time, in one or more tranches, up to 96,55,700 (Ninety Six Lakh Fifty Five Thousand Seven Hundred) fully paid up equity shares (“Equity Shares”) of face value of ₹10/- (Rupees Ten only) each at an issue price of ₹67.50/- (Rupees Sixty Seven and fifty paise only) including a premium of ₹57.50/- (Rupees fifty Seven and fifty paise only) each by way of preferential allotment to the persons mentioned herein below (collectively referred to as “Proposed Allottees”) as the Board may, in its absolute discretion think fit and without requiring





any further approval or consent from the members in the manner provided hereunder:

Sl. No.	Name of the Allottee	Category	No. of Equity Shares	Consideration (amount in ₹)
1	Pransatree Holdings Pte. Limited	Promoter Group (Body Corporate)	37,03,700	₹ 24,99,99,750
2	GKK Capital Markets Pvt. Ltd.	Non-Promoter (Body Corporate)	20,00,000	₹ 13,50,00,000
3	Max Medisupport LLP	Non-Promoter (Limited Liability Partnership)	29,62,000	₹ 19,99,35,000
4	Kemwell Private Limited	Non-Promoter (Body Corporate)	7,40,000	₹ 4,99,50,000
5	Mr. PS Jayakumar joint holder with Ms. Archana Swami	Non-Promoter (Individual)	2,50,000	₹ 1,68,75,000

**RESOLVED FURTHER THAT** the equity shares being offered, issued and allotted to Proposed Allottees by way of a preferential issue or allotment shall inter-alia be subject to the following:

- (i) The equity shares shall be issued and allotted by the Company to Proposed Allottees in de-materialized form within period of 15 (fifteen) days from the date of passing of this Special Resolution provided that where the issue and allotment of the said equity shares is pending on account of pendency of any approval or permission for such issue and allotment by any regulatory authority or the Central Government, the issue and allotment shall be completed within a period of 15 (fifteen) days from the date of such approval or permission;
- (ii) The equity shares to be offered, issued and allotted shall rank pari-passu with the existing equity shares of the Company in all respects including the payment of dividend, if any;
- (iii) The “Relevant Date” for the offer, issue and allotment of the equity shares by way of a preferential issue, as per the SEBI (ICDR) Regulations, 2018 for determination of minimum price for the issue of said equity shares is Monday, August 30, 2021, being 30 days prior to date on which the resolution is deemed to be passed i.e., the date of Annual General Meeting (September 29, 2021);
- (iv) The equity shares to be offered, issued and allotted shall be subject to lock-in as provided under the applicable provisions of SEBI (ICDR) Regulations, 2018, as amended from time to time;
- (v) The equity shares so offered, issued and allotted will be listed on Stock Exchanges where the equity shares

of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be;

- (vi) The equity shares so offered, issued and allotted shall not exceed the number of equity shares as approved hereinabove.
- vii) Each Allottee shall be required to bring in 100% of the consideration for the relevant Subscription Shares on or before the Date of Allotment thereof.
- viii) The consideration for allotment of the relevant Subscription Shares shall be paid to the Company from the bank account of each Allottee, respectively.

**RESOLVED FURTHER THAT** the monies received by the Company from the proposed investors for application of the equity shares pursuant to this Private Placement shall be kept by the Company in a separate Bank Account to be opened for the purpose.

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

**RESOLVED FURTHER THAT** the Board be and is hereby also authorised to delegate all or any of its powers to any officer(s) or authorised signatory(ies) to give effect to this resolution including execution of any documents on behalf of the Company and to represent the Company before any governmental or regulatory authorities and to appoint any professional advisors, bankers, consultants, advocates and advisors to give effect to this resolution and further to take all others steps which may be incidental, consequential, relevant or ancillary in this connection.”

**Item No. 9 Reclassification of the authorized share capital of the company**

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

“**RESOLVED THAT** pursuant to Section 13, 61 and all other applicable provisions of the Companies Act, 2013, if any, and the Rules notified thereunder (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the consent of the Members be and is hereby accorded for the re-classification of the share capital of the Company from ₹500,00,00,000 (Rupees Five Hundred Crore) divided into 25,00,00,000 (Twenty Five Crore) Equity Shares of ₹ 10/- each and 25,00,00,000 (Twenty Five Crore) Cumulative Redeemable Preference Shares of ₹ 10/- each to ₹500,00,00,000 (Rupees Five Hundred Crore) divided into 25,00,00,000 (Twenty Five Crore) Equity Shares of ₹10/- each and 25,00,00,000 (Twenty Five Crore) Preference Shares of ₹10/- each.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid resolution.



**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate any or all of the powers conferred upon it by this resolution to any director or duly constituted committee of directors and/or any officer(s) of the Company for the purpose of giving effect to the resolution.

**RESOLVED FURTHER THAT** all actions and decisions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed.

**Item No.10. Amendment to the memorandum of association of the company**

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

**"RESOLVED THAT** pursuant to Sections 13, 61 and all other applicable provisions of the Companies Act, 2013, if any, and the Rules notified thereunder (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the consent of the Members be and is hereby accorded to alter the Memorandum of Association of the Company by substituting the existing clause V of the Memorandum of Association with the following Clause V:

The Authorised Share Capital of the Company is ₹500,00,00,000 (Rupees Five Hundred Crore) divided into 25,00,00,000 (Twenty Five Crore) Equity Shares of ₹10/- each and 25,00,00,000 (Twenty Five Crore) Preference Shares of ₹10/- each; with rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase or re-classify or alter the capital of the Company and to divide/consolidate the shares in the capital for the time being into several classes and face values and to attach thereto respectively such preferential, cumulative, convertible, guarantee, qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such right, privilege or condition or restriction in such manner as may for the time being be permitted by the Articles of Association of the Company and the legislative provisions for the time being in force.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate any or all of the powers conferred upon it by this resolution to any director or duly constituted committee of directors and/or any officer(s) of the Company for the purpose of giving effect to the resolution.

**RESOLVED FURTHER THAT** all actions and decisions taken by the Board in connection with any matter referred

to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed."

**Item No.11 Alteration to the articles of association of the company**

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

**"RESOLVED THAT** pursuant to Section 14 and other applicable provisions of the Companies Act, 2013 and the provisions of the Memorandum and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to alter the Articles of Association of the Company by inserting a new Article 10 (a) after Article 10 under the Articles of Association of the Company:

**"Article 10 (a): Issue of Preference Shares**

The Company shall have the power to issue Cumulative and/or Non-Cumulative and/or Non-Convertible and/or partly or fully Convertible Preference Shares which are eligible to be converted partly and/or fully into equity shares of the Company as a part of its authorized share capital in the manner permissible under the Act and relevant SEBI Regulations. The Board may subject to the provisions of the Act, exercise such powers in any manner as it may think fit and provide for the conversion of Preference Shares into Equity on such terms and conditions including payment of the Dividend and the right to convert at premium or otherwise as may be deemed appropriate.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps and actions and give such directions as may in its absolute discretion, be deemed necessary and to settle any question or difficulty that may arise in this regard."

By order of the Board of Directors

Date : September 3, 2021

(Sanjay Ahuja)

Place : New Delhi

Company Secretary

Notes:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 and Circular No. 2/2021 dated January 13, 2021 (collectively referred to as "MCA Circulars"). The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations



- 2015 (as amended), and MCA Circulars dated April 8, 2020, April 13, 2020, May 5, 2020, and January 13, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
  5. Pursuant to MCA Circular No. 14/2020 dated April 8, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
  6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.tfcilt.com](http://www.tfcilt.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
  7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
  8. The Securities and Exchange Board of India (SEBI) has mandated that securities of listed company can be transferred only in dematerialised form w.e.f April 1, 2019. Accordingly, the company has stopped accepting any fresh lodgement of transfer of shares in physical form. In view of the above and to avail various benefits of dematerialisation, members are requested to submit dematerialised shares held by them in physical form.
  9. Those Shareholders whose email IDs are not registered, are requested to register their email ID with Registrar & Share Transfer Agent (R&TA) at [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com); [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com), by providing their Name as registered with the R&STA, Address, email ID, PAN, DPID/Client ID or Folio Number and Number of shares held by them.
  10. The Members will be allowed to pose questions during the course of the Meeting. The queries can also be given in advance at [complianceofficer@tfcilt.com](mailto:complianceofficer@tfcilt.com).
  11. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, setting out material facts in respect of the item no. 4 to 11 is annexed hereto.
  12. All documents referred to in the Notice calling the AGM and the Explanatory Statement are available on the website of the Company for inspection by the Members.
  13. In terms of Article 135 of the Articles of Association of the Company, read with Section 152 of the Companies Act, 2013, Shri Shyam Maheshwari (DIN: 01744054), retiring by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.
  14. 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 the SEBI (LODR) Regulation 2015" annexed to the notice.
  15. Members holding shares in more than one folio in identical order of the names are requested to write to M/s MCS Share Transfer Agents Ltd. Registrar & Share Transfer Agent (R&TA), enclosing their share certificates to enable them to consolidate the holdings in one folio to facilitate better service. Members are requested to note that all correspondence relating to Share Transfer/ Transmission etc. should be addressed to R&TA.
  16. Pursuant to the provisions of Section 125 of the Companies Act, 2013 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 Ministry of Corporate Affairs, Government of India. Members who have not yet encashed their dividend warrants for the previous years, are requested to make their claims to the Company immediately. It may be noted that once the unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof from the Company. The due date for transfer of unpaid dividend amount to IEPF for these years are:

Year	Due Date
2013-14	22.10.2021
2014-15(interim)	27.04.2022
2014-15(Final)	21.10.2022
2015-16(Interim)	29.01.2023
2015-16(Final)	28.10.2023
2016-17	25.10.2024
2017-18	10.09.2025
2018-19	9.09.2026

Those who have not yet claimed their dividend for the last seven years may apply directly to Registrar & Share Transfer Agent(R&TA), M/s MCS Share Transfer Agents Ltd. and stake their claim.

17. It is further informed to the shareholders that unclaimed dividend upto the financial year 2012-13 has already been transferred to the IEPF. Those who have not claimed their dividend for period prior to F.Y. 2012-13 may please claim their refund from IEPF Authority and log to <http://www.iepf.gov.in/IEPFA/refund.html>.
18. 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.
19. 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 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.
20. (a) The Register of Members and Share Transfer Books for equity shares of the Company will remain closed from **September 23, 2021 to September 29, 2021** (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 after giving effect to all valid transfer/transmission lodged with Registrar & Share Transfer Agents of the Company, MCS Share Transfer Agents Ltd. on or before **September 22, 2021** 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 22, 2021**

21. 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 Agents Ltd. at F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-1, New Delhi-110020

**THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins on **September 26, 2021** and ends on **September 28, 2021**. 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 **September 22, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating



seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9.12.2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/ EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</li> </ol>

Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDEAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/ideasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/ideasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
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Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.
  - 1) The shareholders should log on to the e-voting website www.evotingindia.com.
  - 2) Click on “Shareholders” module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of TOURISM FINANCE CORPORATION OF INDIA LIMITED on which you choose to vote.



- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [complianceofficer@tfciltd.com](mailto:complianceofficer@tfciltd.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [complianceofficer@tfciltd.com](mailto:complianceofficer@tfciltd.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.



**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

The Scrutinizer will scrutinize the remote e-voting process in a fair and transparent manner. The Scrutinizer after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.tfciltd.com](http://www.tfciltd.com) and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.

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

**ITEM No. 4**

M/s Suresh Chandra & Associates (SCA), Chartered Accountants were appointed by the members as Statutory Auditors of the company for a period of five years effective from the financial year 2017-18 for a fee of ₹ 5 lakh plus applicable tax and their fee was increased to ₹ 6.25 lakh from FY 2020-21. However, in compliance of RBI circular dated April 27, 2021 (effective from FY 2021-22), the term of existing Auditors who has already

completed tenure of three years shall end on 30.9.2021 and the Company shall appoint new Statutory Auditors for a period of three years. M/s. Suresh Chandra & Associates have communicated vide a letter dated August 10, 2021 their intent to resign as statutory auditors of the Company since they have completed four years of continuous audit and are ineligible to continue as auditors. Accordingly, the Board of Directors on the recommendation of the Audit Committee recommended to approve appointment of M/s M. Verma & Associates, Chartered Accountants (Firm Registration No. 501433C) as Statutory Auditors of the company by the members in the forthcoming Annual General Meeting for a period of three years effective from the financial year 2021-22 for a fee of ₹ 7.50 lakh plus applicable tax and that the Audit Committee/Board of Directors of the Company to be authorised to modify/fix such remuneration as may be determined in consultation with the auditors.

The Board of Directors recommends the passing of the proposed Ordinary Resolution as set out in item No.4 of the Notice, by members of the Company.

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

**ITEM No. 5**

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.

Your Company has been raising funds for meeting its requirements for business growth through various sources including issuance of bonds/debentures. Your Company had issued non-convertible bonds in the last few years by way of private placement basis as the same was 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 ₹ 750 crore (Rupees Seven Hundred Fifty Crore only) on a private placement basis, in one or more tranches, during the period of one year ending upto the next Annual General Meeting, 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 shareholders proposed at the Resolution at Item No.5.

The Board of Directors recommends the passing of the proposed Special Resolution as set out in item No.5 of the Notice, by members of the Company.

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

#### **ITEM No. 6**

Pursuant to Sections 23, 42 and 62 of the Companies Act, 2013, as amended read with applicable rules notified thereunder, including Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and the SEBI ICDR Regulations, a company offering or making an invitation to subscribe to its securities shall obtain prior approval of the shareholders by way of a special resolution. In terms of Section 62(1)(c) of the Companies Act, 2013, shares may be issued to persons who are not the existing shareholders of a company, if the company is authorised by a special resolution passed by its members. The Securities allotted will be listed and traded on BSE and NSE (where Equity Shares are currently listed) subject to obtaining necessary approvals. The offer, issue and allotment of the Securities shall be subject to obtaining necessary regulatory approvals, as required, by the Company. As the company is yet to identify the investor(s) and decide the quantum of equity shares to be issued to them, the details of the proposed allottee(s), percentage of their post-issue shareholding and the shareholding pattern of the company are not mentioned. The Board of Directors at their meeting held on August 10, 2021 approved raising of capital through various modes by way of issue of Equity Shares, and/or securities convertible into Equity Shares by way of a preferential issue and/or qualified institutions placement (QIP) and/or Rights Issue or any combination thereof or any other permissible mode to any eligible person whether they be holders of Equity Shares of the Company or not as may be decided by the Board and permitted under applicable laws and regulations, of an aggregate amount not exceeding ₹ 200 crore subject to approval of the members and other statutory authorities as may be required.

The proposal, therefore, seeks to pass enabling resolution to obtain approval from the Members by Special Resolution in the forthcoming 32<sup>nd</sup> Annual General Meeting to confer upon the Board or its duly constituted Committee the absolute discretion and adequate flexibility to determine the terms of the Issue, including but not limited to the identification of the proposed investors in the Issue and quantum of Equity Shares to be issued and allotted to each such investor, in accordance with the provisions of the SEBI ICDR Regulations, the SEBI (LODR) Regulations, 2015, as amended, the Companies Act, 2013, the FEMA, 1999 and

other applicable law. The pricing of the Securities shall be determined in accordance with the relevant provisions of the SEBI ICDR Regulations, the Companies Act, and any other applicable law.

In the event that Securities are issued through a QIP, the resolution enables the Board or its duly constituted committee, in accordance with applicable law and in consultation with the Lead Managers/ placement agents/ underwriters or any such other intermediary, to offer a discount of not more than 5% or such percentage as may be permitted under applicable law on the floor price determined in accordance with the SEBI ICDR Regulations.

In the event that Equity Shares are issued through a QIP, the ‘relevant date’ for the purpose of the pricing of the Equity Shares to be issued and allotted in the proposed QIP shall be decided in accordance with the applicable provisions of the SEBI ICDR Regulations, which shall be either the date of the meeting in which the Board / its duly constituted committee decides to open the QIP, as decided by the Board, which shall be subsequent to receipt of members’ approval in terms of provisions of Companies Act, 2013 and other applicable laws, rules, regulations and guidelines in relation to the proposed issue of the Equity Shares. Further, in the event that eligible convertible securities are issued through a QIP, the “relevant date” for the purpose of pricing of such convertible securities shall be the date of the meeting in which the Board or the committee of directors authorized by the Board decides to open the proposed QIP, or the date on which the holders of the eligible convertible securities are entitled to apply for Equity Shares.

As and when the Board does take a decision on matters on which it has discretion (subject to the compliance with the conditions set forth herein), necessary disclosures will be made to the stock exchanges as may be required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Board of Directors recommends the passing of the proposed Special Resolution as set out in item No.6 of the Notice, by members of the Company.

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

#### **Item No.7 and 8:**

The Board of Directors of the Company at its meeting held on September 3, 2021, has approved to the offer, issue and allot up to 96,55,700 (Ninety Six Lakh Fifty Five Thousand Seven Hundred) fully paid up equity shares (“Equity Shares”) of face value of ₹10/- (Rupees Ten only) each at an issue price of ₹67.50/- (Rupees Sixty Seven and fifty paise only) including a premium of ₹57.50/- (Rupees fifty Seven and fifty paise only) each by way of preferential



allotment of equity shares in accordance the SEBI (ICDR) Regulations, 2018 subject to approval of shareholders. The disclosures under Resolution No.7 of this Notice, as required in accordance with the Act, the SEBI (ICDR) Regulations, 2018 and other applicable Regulations in relation thereto are as under:

1. **Objects of the Issue:** The proceeds from the Issue will be utilized for augmenting long term cash resources, funding the organic / inorganic growth opportunities in the area of the Company's operations or for any other general purposes as may be permissible under the applicable law and approved by the Board of directors of the Company or a duly constituted committee of the Board.
2. **Number of shares and Pricing of Preferential issue:** The Company proposes to issue up to 96,55,700 (Ninety Six Lakh Fifty Five Thousand Seven Hundred) fully paid up equity shares ("Equity Shares") of face value of ₹10/- (Rupees Ten only) each at an issue price of ₹67.50/- (Rupees Sixty Seven and fifty paise only) including a premium of ₹57.50/- (Rupees fifty Seven and fifty paise only) each by way of preferential allotment of equity shares
3. **Basis on which the price has been arrived at:** The equity shares of Company are listed and frequently traded on Stock Exchanges, viz., BSE Limited and National Stock Exchange of India Limited ("NSE") in accordance with SEBI (ICDR) Regulations, 2018. In terms of the applicable provisions of SEBI (ICDR) Regulations, 2018 the price at which equity shares shall be allotted shall not be less than higher of the following:
  - (a) Average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on the Stock Exchange, during the Twenty-Six (26) weeks preceding the Relevant Date; or
  - (b) Average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on the Stock Exchange, during the Two (2) weeks preceding the Relevant Date.

In accordance with Regulation 164 of SEBI (ICDR) Regulations, 2018, the pricing of the Equity Shares to be allotted on preferential basis work out to ₹67.21/- (Rupees Sixty Seven and twenty one paise only) per Equity Share of face value of ₹10/- each. However, the price per equity share for the proposed preferential issue of equity shares is fixed at ₹67.50/- (Rupees Sixty Seven and fifty paise only) which is higher than the price as computed under Regulation 164 of SEBI (ICDR) Regulations, 2018.

Since the equity shares of the Company have been listed on the recognized Stock Exchanges for a period of more than 26 weeks prior to the Relevant Date, it is not required to re-compute the price per equity share to be issued and therefore, the Company is not required to submit the undertaking specified under the Regulations

163 (1) (g) and 163 (1) (h) of the SEBI (ICDR) Regulations, 2018.

4. **Terms of Issue of the Equity Shares, if any.** The Equity Shares allotted in terms of this resolution shall rank pari-passu with existing equity shares of the Company in all respects including the payment of dividend, if any;
5. **The class or classes of persons to whom the allotment is proposed to be made:** The allotment is proposed to be made to (i) Pransatree Holdings PTE Limited (promoter group) (ii) GKK Capital Markets Pvt. Ltd. (Non-Promoter); (iii) Max Medisupport LLP (Non-Promoter); (iv) Kemwell Private Limited (Non-Promoter) and (v) Mr. PS Jayakumar joint holder with Ms. Archana Swami (Non-Promoter). All other information relevant or important is covered in the explanatory statement.
6. **Relevant Date:** The "Relevant Date" for the offer, issue and allotment of the equity shares by way of a preferential issue, as per the SEBI (ICDR) Regulations, 2018 for determination of minimum price for the issue of said equity shares is Monday, August 30, 2021, being the date thirty days prior to the date on which the meeting of shareholders' resolution is passed.
7. **The shareholding pattern of the Company before the proposed issue and after the proposed allotment of Equity Shares as follows:**

Sl. No.	Category	PRE-ISSUE		Allotment	POST ISSUE	
		No. of Shares held	% of Shareholding		No. of Shares held	% of Shareholding
A.	<b>Promoters' holding:</b>					
1	Indian					
	Individual/Hindu undivided Family	-	-			
	Institutional Investors	3822171	4.74		3822171	4.23
	Bodies Corporate	-	-			
	Sub Total	3822171	4.74		3822171	4.23
2	Foreign					
	Individuals (Non-Resident Individuals/ Foreign Individuals)	7686633	9.52		7686633	8.51
	Bodies Corporate	2421502	3	3703700	6125202	6.77



	Foreign Portfolio Investors	8061597	9.99		8061597	8.92
	Sub Total	18169732	22.51	3703700	21873432	24.20
	Sub Total (A)	21991903	27.25	3703700	25695603	28.43
<b>B.</b>	<b>Non-Promoters' holding:</b>					
1	Institutional Investors /Banks	780	-		780	0.00
	Mutual Fund/ Alternate Fund	4812	0.01		4812	0.01
	Foreign Venture Capital Investors	-	-			
	Foreign Portfolio Investor	13138190	16.28		13138190	14.54
	Foreign Body Corporate	-	-			
2	Central Government/State Government(s)/ President of India	-	-			
3	Non- Institution Investors					
	Individual shareholders holding nominal share capital up to ₹2 Lakhs	21061822	26.09	250000	21311822	23.58
	Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs	12533580	15.53		12533580	13.87
	NBFCs Registered with RBI	7958	0.01		7958	0.01
	Employee Trusts	-	-			
	<b>Any Others</b>					
	Non Resident Indians	2977291	3.69		2977291	3.29
	Bodies Corporate	8104424	10.04	5702000	13806424	15.28
	Overseas Corporate Bodies	-	-			0.00
	Clearing Members	-	-			0.00

	Trust	2050	0		2050	0.00
	IEPF	893938	1.11		893938	0.99
	Sub Total (B)	58724845	72.75	5952000	64676845	71.57
	<b>GRAND TOTAL (A+B)</b>	<b>80716748</b>	<b>100.00</b>	<b>9655700</b>	<b>90372448</b>	<b>100.00</b>
<b>C</b>	<b>Non Promoter-Non Public</b>					
	Shares underlying DRs	-	-			
	Shares held by Employee Trust	-	-			
	<b>GRAND TOTAL (A+B+C)</b>	<b>80716748</b>	<b>100.00</b>	<b>9655700</b>	<b>90372448</b>	<b>100.00</b>

Note:-

- (i) The table shows the expected shareholding pattern of the Company upon assumption of the allotment and assumes that holding of all other shareholders shall remain the same post issue as they were on the date on which the pre issue shareholding pattern was prepared.
  - (ii) The pre-issue shareholding pattern is as on August 27, 2021 as the notice was approved as on September 3, 2021.
8. **Proposal / Intention of Promoters, Directors or Key Managerial Personnel to subscribe the offer:** None of the Promoters, Directors or Key Managerial Personnel, intends to subscribe to any Equity Shares pursuant to this preferential issue. However, Preferential Allotment of upto 37,03,700 fully paid-up equity shares of face value of ₹10/- (Rupees Ten) each on a preferential basis to, Pransatree Holdings PTE Limited (PHPL) (wherein Shri Koppara Sajeve Thomas, Non-Executive director (promoter group) holds around 50% shareholding in his name while balance 50% shareholding is held by his wife). The other terms and conditions are covered in the foregoing paragraphs of the explanatory statement.
9. **Proposed time within which the preferential issue shall be completed:** As required under the SEBI (ICDR) Regulations, 2018 the Company shall complete the allotment of the Equity Shares on or before the expiry of 15 (fifteen) days from the date of passing of Special Resolution by the Members granting consent for issue and allotment of the Equity Shares, and in the event the allotment of the Equity Shares requires any approval(s) from any regulatory authority or the Central Government, within 15 (fifteen) days from the date of such approval(s) or permission or within such further period as may be prescribed or allowed by the SEBI, Stock Exchanges or other regulatory authority or the Central Government, as the case may be.



10. **Change in control, if any, in the Company that would occur consequent to the preferential offer:** There shall be no change in the management or control of the Company pursuant to the aforesaid issue and allotment of the Equity Shares.
11. **Valuation for consideration other than cash:** Not applicable.
12. **The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:** Not applicable.
13. **Lock-in Period:** The proposed allotment of equity shares shall be subject to lock-in as per the provisions of Chapter V of the SEBI (ICDR) Regulations, 2018. Further, the entire pre-preferential allotment shareholding of all the proposed allottees, if any, shall also be under lock-in from the relevant date up to a period of six months from the date of the trading approval received from the Stock Exchanges. [Here the date of trading approval shall be reckoned as the latest date when trading approval has been obtained from the Stock Exchanges where it is listed].
14. **Listing:** The Company will make an application to the Stock Exchanges at which the existing shares are listed, for listing of the equity shares. Such equity shares, once allotted, shall rank pari-passu with the then existing equity shares of the Company in all respects, including dividend.
15. **Auditors' Certificate:** The Company shall obtain a Certificate from Statutory Auditors of the Company, M/s. Suresh Chandra & Associates (Firm Registration No. 001359N) Chartered Accountants, confirming that the issue of the Equity Shares is being made in accordance with the requirements of the SEBI (ICDR) Regulations, 2018. A copy of the certificate will be placed for inspection before the members at the ensuing Annual General Meeting and will also be available at the website of the Company [www.tfciltd.com](http://www.tfciltd.com).
16. **Other Disclosures:**
- The Proposed allottees have not sold/transferred any equity shares during the six months preceding the Relevant Date.
  - The Issuer Company undertakes that they shall re-compute the price of the Equity Shares issued in terms of the SEBI (ICDR) Regulations, 2018, where it is required to do so.
  - During the period from April 1, 2021 until the date of notice of this Annual General Meeting, the Company has not made any preferential issue of its Equity Shares.
  - The justification for the allotment proposed to be made for consideration other than cash together

with valuation report of the Registered Valuer is not applicable as the proposed allotment of Shares is for a cash consideration.

17. **Disclosure as specified in under Regulation 163 (1) (i) of the SEBI (ICDR) Regulations.**
- It is hereby confirmed that neither the Company nor its promoters and Directors and to the Company's Knowledge any of its Promoters is a willful defaulter.
  - It is hereby confirmed that neither the Company nor its promoters and Directors is declared as fugitive economic offender under Fugitive Economic Offender Act, 2018.
18. **Identity of Proposed Allottee (including natural persons who are the ultimate beneficial owners of equity shares proposed to be allotted and/or who ultimately control), the percentage (%) of Post Preferential Issue Capital that may be held by them and Change in Control, if any, consequent to the Preferential Issue:**

Sl. No	Name of the Proposed Allottee	Ultimate beneficial owner	Category of the Allottee	Pre-Issue Equity holding	No. of Equity Shares to be allotted	Post-Issue Equity holding and (%) of Post Preferential Issue Capital
1	Pransatree Holdings Pte Ltd.	PHPL is a private company incorporated in Singapore. Mr. Koppa Sajeve Thomas, Director (Promoter Group) holds around 50% shares in PHPL and the remaining 50% shares are held by his wife	Promoter Group (Body Corporate)	Nil	37,03,700	37,03,700 (4.10%)
2	GKK Capital Markets Pvt. Ltd.	Mr. Girish Kumar Khandelwal, Mr. Navin Khandelwal, Ms. Poonam Khandelwal	Non-Promoter (Body Corporate)	Nil	20,00,000	20,00,000 (2.21%)
3	Max Medisupport LLP	Mr. Anurag Bagaria, Mr. Karan Bagaria, Mrs. Kumkum Bagaria, Mrs. Neha Bagaria, Mrs. Natasha Bagaria	Non-Promoter (Limited Liability Partnership)	Nil	29,62,000	29,62,000 (3.28%)



4	Kemwell Private Limited	Mr. Anurag Bagaria, Mr. Karan Bagaria, Mrs. Kunkum Bagaria, Mrs. Neha Bagaria, Mrs. Natasha Bagaria	Non-Pro-moter (Body Corporate)	Nil	7,40,000	7,40,000 (0.82%)
5.	Mr. PS Jayakumar joint holder with Ms. Archana Swami	N.A.	Non-Pro-moter (Individual)	Nil	2,50,000	2,50,000 (0.28%)

The approval of the Members by way of Special Resolution is required in terms of the applicable provisions of Sections 23, 42 and 62 of the Act read with applicable rules thereto and relevant provisions of the SEBI (ICDR) Regulations, 2018 and accordingly the approval of the Members of the Company is being sought.

In terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make a private placement of its securities under the Act only after the approval of its shareholders by way of a special resolution has been obtained. Further in terms of Regulation 160 of SEBI (ICDR) Regulations, 2018 a special resolution needs to be passed by shareholders of a listed company prior to issue of specified securities on preferential basis.

The resolutions as set out in Item No.7 and the terms stated therein and in the explanatory statement hereinabove shall be subject to the guidelines/ regulations issued/ to be issued by the Government of India or the Securities and Exchange Board of India or the Reserve Bank of India or the Ministry of Corporate Affairs or any other regulatory/ statutory authorities in that behalf and the Board shall have the absolute authority to modify the terms contained herein or in the said resolution, if required by the aforesaid regulatory/ statutory authorities or in case they do not conform with the ICDR Regulations including any amendment, modification, variation or re-enactment thereof.

The approval of the Members is being sought to enable the Board to decide on the issue of the Equity Shares on a preferential basis, to the extent and in the manner as set out in the respective resolutions and the explanatory statement. The Board believes that the proposed issue is in the best interest of the Company and its members and accordingly, it recommends passing of Special resolution as set out at Item No.7 of this Notice, for the approval of the Members.

Shri Koppara Sajeeve Thomas holds around 50% shareholding in Pransatree Holdings PTE Limited (PHPL) and being Non-Executive Director (promoter group) of the Company is interested in the above resolutions. None of the other Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the resolutions as

set out at Item No. 7 and 8 of this Notice except to the extent of their shareholding in the Company.

Copies of all documents relevant to the above resolution at Item No 7 and 8 will be available for inspection during the office hours at the registered office of the Company till the date of conclusion of voting.

**Additional Information relating to item No. 7**

(a) name of the related party;	Pransatree Holdings PTE Limited (PHPL)
(b) name of the director or key managerial personnel who is related, if any;	Shri Koppara Sajeeve Thomas, being Non-Executive director (promoter group) is interested in the proposed resolution to the extent of his shareholding in the Company.
(c) nature of relationship;	Mr. Koppara Sajeeve Thomas holds around 50% shares in PHPL while the remaining 50% shares are held by his wife
(d) nature, material terms, monetary value and particulars of the contract or arrangements;	Preferential Allotment of upto 37,03,700 fully paid-up equity shares of face value of ₹10/- (Rupees Ten) each on a preferential basis to, Pransatree Holdings PTE Limited (PHPL) (wherein Shri Koppara Sajeeve Thomas, Non-Executive director (promoter group) holds around 50% shareholding in his name while balance 50% shareholding is held by his wife). The other terms and conditions are covered in the foregoing paragraphs of the explanatory statement.



(e) any other information relevant or important for the members to take a decision on the proposed resolution.	All other information relevant or important is covered in the foregoing paragraphs of the explanatory statement.
(f) Voting	In accordance with the provisions of Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all entities covered under the definition of “Related Party” under Section 2(76) of the Companies Act, 2013, irrespective of the fact whether the entity is a related party to the transaction or not, shall abstain from voting on the Resolution mentioned at Item No.8 of the Notice.

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

**Item No. 10: To alter the Capital Clause of the Memorandum of Association of the Company**

The Board has in its meeting held on September 3, 2021 passed a resolution approving alteration of the Capital clause of the Memorandum of Association of the Company to reflect the reclassification of the Authorized Share Capital of the Company. The amended Capital clause shall read as under:

The Authorised Share Capital of the Company is ₹500,00,00,000 (Rupees Five Hundred Crore) divided into 25,00,00,000 (Twenty Five Crore) Equity Shares of ₹10/- each and 25,00,00,000 (Twenty Five Crore) Preference Shares of ₹10/- each; with rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase or re-classify or alter the capital of the Company and to divide/consolidate the shares in the capital for the time being into several classes and face values and to attach thereto respectively such preferential, cumulative, convertible, guarantee, qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such right, privilege or condition or restriction in such manner as may for the time being be permitted by the Articles of Association of the Company and the legislative provisions for the time being in force.

The Board has sought the approval of the Members of the Company by means of a special resolution to give effect to the alteration of the Capital clause of the Memorandum of Association of the Company.

The Board of the Company recommends passing of the proposed Special Resolution as set out in item No.10 of the notice by the Members of the Company.

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

**Item No.11 To alter the provisions of the Articles of Association of the Company**

The Board has in its meeting held on September 3, 2021 passed a resolution approving alteration of the Articles of Association of the Company to insert a new Article No. 10 (a) after Article 10. This new Article shall read as under:

**“Article 10 (a): Issue of Preference Shares**

The Company shall have the power to issue Cumulative and/or Non-Cumulative and/or Non-Convertible and/or partly or fully Convertible Preference Shares which are eligible to be converted partly and/or fully into equity

The above proposal is in the interest of the Company and the Board of the Company thus recommends resolution at Items Nos.7 and 8 for approval of the Members of the Company as an Ordinary Resolution and Special Resolution respectively.

**Item No. 9: To reclassify the Authorized Share Capital of the Company**

The Board has in its meeting held on September 3, 2021 passed a resolution approving reclassification of the Authorized Share Capital of the Company, presently comprising of ₹500,00,00,000 (Rupees Five Hundred Crore) divided into 25,00,00,000 (Twenty Five Crore) Equity Shares of ₹ 10/- each and 25,00,00,000 (Twenty Five Crore) Cumulative Redeemable Preference Shares of ₹ 10/- each to ₹500,00,00,000 (Rupees Five Hundred Crore) divided into 25,00,00,000 (Twenty Five Crore) Equity Shares of ₹10/- each and 25,00,00,000 (Twenty Five Crore) Preference Shares of ₹10/- each. The Board has sought the approval of the Members of the Company by means of a special resolution to give effect to the reclassification of the Authorised Share Capital of the Company.

The Board of the Company recommends passing of the proposed Special Resolution as set out in item No.9 of the notice by the Members of the Company.



shares of the Company as a part of its authorized share capital in the manner permissible under the Act and relevant SEBI Regulations. The Board may subject to the provisions of the Act, exercise such powers in any manner as it may think fit and provide for the conversion of Preference Shares into Equity on such terms and conditions including payment of the Dividend and the right to convert at premium or otherwise as may be deemed appropriate.

The Board has sought the approval of the Members of the Company by means of a special resolution to give effect to the alteration of the Articles of Association of the Company by inserting a new Article providing for passing enabling resolution for issue and allotment of all type of preference shares.

The Board of the Company recommends passing of the proposed Special Resolution as set out in item No.11 of the notice by the Members of the Company.

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

By Order of the Board of Directors

Date : September 3, 2021

(Sanjay Ahuja)

Place : New Delhi

Company Secretary

## INFORMATION ABOUT DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS MANDATED IN THE SEBI (LODR) REGULATION, 2015

### Shri Shyam Maheshwari

Shri Shyam Maheshwari aged 45 years is representing India Opportunities III Pte Limited (Promoter Group). He is MBA from the Indian Institute of Management (IIM) in Bangalore and Chartered Accountant. He is one of the Partners and co-founder of SSG Group. He is primarily responsible for SSG's investment activities in India. Mr. Maheshwari has more than twenty years of extensive experience of deal sourcing, credit analysis and investing in Asia. Prior to co-founding SSG Group, Mr. Maheshwari was a senior member of Lehman Brothers Asia Special Situations Group primarily responsible for making principal investments in India, where he oversaw the efforts to build the India business. He initially joined Lehman Brothers in 1999 as a credit analyst in the Asia Credit Research team and later moved to Credit Trading in early 2005. In India, he has experience of making investments across a range of sectors including real estate, healthcare, consumer durables, power, mining, metals, retail, auto components, manufacturing, logistics and infrastructure sectors etc. He was a nominee director of Lehman Brothers and the board of ECL Finance Limited from 5<sup>th</sup> June, 2007 to 24<sup>th</sup> October, 2008. He does not hold directorship in any other Indian company but holds directorship in companies outside India viz. ARES SSG Capital Management (Singapore) Pte. Ltd., Solar House Ltd., Kingdom Power Investments Ltd. He is member of Risk Management Committee, Nomination & Remuneration Committee and Executive Committee of the Company. He is neither holding any shares nor having any shareholding as a beneficial owner 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 Thirty Second Annual Report on the business and operations of the Company and the audited accounts for the financial year 2020-21.

### 2. Financial Results

The Company's financial performance for the year ended 31<sup>st</sup> March, 2021 is summarized below:

(Amount in Crore)

Sl. No.	Particulars	Standalone		Consolidated
		2020-21	2019-20	2020-21
<b>Operational Results</b>				
1	Total Income	258.51	265.66	258.51
2	Total Expenditure	157.55	144.21	157.59
3	Operational Profit before provision and taxes	100.96	121.45	100.92
4	(Provision) for doubtful debts/investment	1.10	24.00	1.10
5	Profit before Tax	99.86	97.45	99.82
6	Provision for Tax	19.11	16.43	19.11
7	<b>Profit After Tax</b>	<b>80.75</b>	<b>81.02</b>	<b>80.71</b>
8	Add: Surplus brought forward	72.18	72.63	72.18
9	Add: Reclassification of realised gain from OCI to reserve	0.15	1.07	0.15
10	Add/(Less): Remeasurement of Actuarial loss (OCI)-directly recognised in surplus	0.05	(0.42)	0.5
11	Less: Provision u/s 36(1)(vii) (c) of Income Tax Act, 1961	-	-	-
12	Less: Dividend & Dividend Distribution tax Paid	-	21.41	-
	<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	<b>153.13</b>	<b>132.89</b>	<b>153.09</b>
13	<b>Less: Appropriation Transfer to Special Reserve under</b>			
	- Section 36(1)(viii) of the Income Tax Act, 1961	18.33	22.50	18.33
	- Section 45 IC of the RBI Act	16.15	16.21	16.14
14	Less: Transfer to General Reserve	22.00	22.00	22.00
15	<b>Balance carried to Balance Sheet</b>	<b>96.65</b>	<b>72.18</b>	<b>96.62</b>

### 3. Operational Performance

During 2020-21, due to the challenging and subdued business environment on account of COVID 19 pandemic, your Company adopted a cautious approach

in sanctioning and disbursing loans to avoid slippages and stressed assets. Further, in order to maintain liquidity to meet funds requirement, fresh disbursements were reviewed and made selectively. Due to adverse effect of COVID on hospitality sector, the focus of your company was on balance-sheet protection and liquidity support for existing clients by financial assistance under Govt. guaranteed and/or RBI schemes, which constituted substantial disbursements for the year. During 2020-21, TFCI achieved sanctions of ₹ 468.99 crore as against ₹ 477.00 crore during the previous year. The aggregate disbursements during the year were ₹ 457.27 crore as against ₹ 483.35 crore during the previous year. TFCI has major exposure in financing of tourism projects particularly hotels in 5-star and 3-star segments thereby having extra sectoral risk. In order to contain the sectoral risk, TFCI proposes to have a mix of portfolio by lending to other sectors for short/medium term without compromising its focus on tourism.

TFCI, for the year ended 31<sup>st</sup> March 2021, on a standalone basis recorded total operational income of ₹ 258.51 crore (PY: ₹ 265.66 crore). Profit before tax (PBT) of ₹ 99.86 crore (PY: ₹ 97.45 crore) and Profit after Tax (PAT) of ₹ 80.75 crore (PY: ₹ 81.02 crore). The balance sheet size was ₹ 2184.89 crore as on 31.03.2021 as compared to total assets of ₹ 2243.78 crore during the previous year. (Consolidated numbers) Tourism sector has been impacted by COVID-19 pandemic and is expected to witness significant consolidation and to provide huge opportunity for refinancing/aquisition funding/structured/special situation solutions etc. In view of the current business environment, the Board of Directors has approved Business Plan for your Company with a view to explore the growth opportunities, both organic and inorganic, across core hospitality segment and wholesale segment (social Infra and other resilient sectors). The Company proposes to grow its balance sheet size by cautiously pursuing the emerging opportunities which would enable us to leverage available capital and thereby improve return on equity.

### 3.1. Asset Quality:

The stressed assets posed continued challenges to the banking sector during the year. The subdued macro-economic environment and tepid demand scenario due to travel restrictions also affected the tourism sector and thus adversely affecting TFCI's sanctions and disbursements and recovery from assisted concerns. However, your Company followed strict appraisal criteria based on cash flow generating capacity of the project/resilience in operations post effect of Covid lockdown and adhered to the prudential norms for Non-Performing Assets (NPAs) prescribed by the regulatory authority.





Accordingly, asset quality was largely contained on account of timely support given to existing borrowers under various RBI/Government measures to support MSME/ Stressed Sectors. Your company has recorded gross NPAs of ₹ 69.48 crore (3.18% of total assets) as on 31<sup>st</sup> March, 2021 despite increased stress recorded in the entire banking system. As these accounts are fully secured and resolution plan for these assets have been received in Corporate Insolvency Resolution Process (CIRP) under IBC, 2016 your Company is confident of realising the entire dues alongwith interest upto the admissible date. TFCI has made adequate provisions to withstand any market eventuality and the Net NPAs of the company as on March 31, 2021 were ₹ 56.13 crore representing 2.57 % of the total assets.

**4 Contribution to Tourism and Infrastructure Sector by TFCI**

Your Company is the only institution in the country mainly funding tourism projects with more than 32 years of existence. It has effectively played its main objective of catalysing investment in tourism sector thereby assisting the nation in creation of tourism infrastructure besides generating employment through tourism. Since inception, TFCI has been instrumental for creation and addition of 51687 hotel rooms in the country representing almost equal to 30% of the room capacity as on date. With the financial assistance provided by TFCI, the tourism related projects has provided direct employment to about 95963 persons. The assistance provided to more than 914 projects by TFCI has also led to catalysing investments to the tune of ₹ 31258 Crore in the tourism and other sectors.

**5. Dividend**

The Board of Directors have recommended dividend of ₹ 0.80 per Equity Share i.e. @ 8% on the paid-up Equity Share Capital for the financial year ended March 31, 2021 subject to approval by the shareholders.

The dividend will be paid to those members whose names appear in the Register of Members in respect of shares in physical form after giving effect to all valid transfer/transmission lodged with Registrar & Transfer Agent/Company on or before September 22, 2021. 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 22, 2021 in respect of shares held in dematerialized form. Your company has formulated Dividend Distribution Policy that may be accessed on the Company’s website at the link: <http://www.tfciltd.com/policies.html>

**6 Resource Mobilization**

Your Company constantly monitors its resource base and taps the appropriate opportunity through diversified sources 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 out of internal accruals and by way of additional borrowings from banks on short/medium term basis. TFCI has tied up with various banks for financial assistance to meet its future requirement of resources. Further, your Company proposes to raise funds through issue of long term bonds/additional bank borrowing depending upon the interest rate scenario in the market. Your Company is confident of meeting the funds requirements by raising resources at competitive rates.

The Board of Directors at their meeting held on August 10, 2021 approved the raising of resources by way of (i) long/medium/short term borrowings/overdraft loans from Banks/Financial Institutions/others and/or Bonds / Debentures /other instruments for an amount not exceeding ₹ 750 crore; and (ii) Raising of capital through various modes by way of issue of Equity Shares, and/or securities convertible into Equity Shares by way of a preferential issue and/or qualified institutions placement (QIP) and/or Rights Issue or any combination thereof or any other permissible mode to any eligible person whether they be holders of Equity Shares of the Company or not as may be decided by the Board and permitted under applicable laws and regulations, of an aggregate amount not exceeding ₹ 200 crore subject to approval of the Members and other statutory authorities as may be required. The objective of raising resources is to support business growth. The resource raising committee has been constituted to decide on the quantum, timings and terms of raising additional resources.

Further, the Board of Directors in its meeting held September 3, 2021 approved to issue and allot up to 96,55,700 (Ninety Six Lakh Fifty Five Thousand Seven Hundred) fully paid up equity shares of face value of ₹10/- each at an issue price of ₹67.50/- (Rupees Sixty Seven and fifty paise only) including a premium of ₹57.50/- (Rupees fifty Seven and fifty paise only) each for an allotment size of ₹65.18 crore by way of preferential allotment to the persons mentioned herein below subject to approval of members:

Sl. No.	Name of the Allottee	Category	No. of Equity Shares
1	Pransatree Holdings Pte. Limited	Promoter Group (Body Corporate)	37,03,700
2	GKK Capital Markets Pvt. Ltd.	Non-Promoter (Body Corporate)	20,00,000
3	Max Medisupport LLP	Non-Promoter (Limited Liability Partnership)	29,62,000
4	Kemwell Private Limited	Non-Promoter (Body Corporate)	7,40,000
5	Mr. PS Jayakumar joint holder with Ms. Archana Swami	Non-Promoter (Individual)	2,50,000



Further, the Board of Directors also approved to amend the Memorandum and Articles of Association for the enabling provision for raising convertible preference shares subject to approval of enabling resolution by Members in the forthcoming 32nd Annual General Meeting.

The Company has not invited any deposit from the public under Section 73 and 74 of the Companies Act, 2013 during the year under review. There was no public deposit outstanding as at the beginning or end of the year ended on March 31, 2021.

#### **7. Regulatory Compliances**

Your Company has been classified as Systemically Important 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 comfortable level of 39.87% as on March 31, 2021 as against the prescribed norm of 15%.

#### **8. 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 in the SEBI (LODR) Regulation is presented in a separate section forming part of the Directors' Report.

#### **9. Directors and Key Managerial Personnel**

Members at the 31<sup>st</sup> AGM held on August 17, 2020 approved the re-appointment of (i) Shri Koppa Sajeve Thomas as Non-Executive Director (ii) appointment of Shri Ravinder Kumar Sood as Non-Executive Director and (iii) re-appointment of Shri B.M.Gupta, as Whole Time Director till December 31, 2020.

During the year, the Board of Directors on the recommendation of the Nomination and Remuneration Committee approved to extend the tenure of Shri B.M.Gupta as Whole-Time Director upto March 31, 2022 subject to the approval of the shareholders but Shri B.M.Gupta ceased to be director due to his untimely demise on November 26, 2020. Further, the Ministry of Tourism, Govt. of India has withdrawn nomination of Shri Suman Billa which was taken note by the Board of Directors on November 10, 2020. The Board appreciates the valuable contributions made for the company by Late Shri B. M. Gupta and Shri Suman Billa 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 Shyam Maheshwari would retire by rotation at the forthcoming Annual General Meeting and is eligible for reappointment. The Board recommends appointment of Shri Shyam Maheshwari as Non-Executive Director. The Company has

received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as required under Section 149 of the Companies Act 2013 and the SEBI (LODR) Regulation.

#### **9.1 Performance Evaluation of the Board**

The Companies Act, 2013 and SEBI (LODR) Regulation stipulate the performance evaluation of the Directors including Chairperson, Board and its Committees. Accordingly, your Company has devised the process and the criteria for the performance evaluation which has been recommended by the Nomination & Remuneration Committee and approved by the Board.

The process of evaluation has been stipulated for the entire Board for its own performance and that of its committees, Independent directors and other directors based on parameters such as the attendance; participation and contribution; responsibility towards stakeholders; exercise their duties with due and reasonable care, skill and diligence and exercise of independent judgement. The Committee of Independent Directors evaluated the performance of Non-Independent Directors including Chairman, Managing Director. Similarly, the Non-Independent Directors evaluates the performance of Independent directors. On the basis of the report of performance evaluation, it is determined whether to extend or continue the term of appointment/reappointment of the Independent and other Director(s).

#### **9.2 Director Orientation Program**

The Directors on regular basis are made aware of the business models, nature of industry and its dynamism, the roles, responsibilities and liabilities of Independent directors, etc. Further, business updates, legal updates and industry updates are made available to Independent Directors, especially to the Audit Committee members on an ongoing basis by internal teams, external consultants, statutory and internal auditors.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link:<http://www.tfcilt.com/policies.html>

#### **9.3 Details of Board Meetings**

During the year, 6 Board Meetings were held on June 4, 2020; July 16, 2020; August 13, 2020; November 10, 2020; February 10, 2021; and March 30, 2021. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. The details about the meetings of Audit Committee and other Committees are provided in the report on Corporate Governance which forms part of this Directors' Report.



#### 9.4 Appointments/Resignations of the Key Managerial Personnel

During 2020-21, Shri Anirban Chakraborty Managing Director & CEO; Late Shri B.M.Gupta, Whole Time Director (demised on 26.11.2020); Shri Anoop Bali, Chief Financial Officer and Shri Sanjay Ahuja, Company Secretary were the Key Managerial personnel as per the provisions of the Companies Act, 2013.

#### 9.5 Company's policy on appointment and remuneration

Your Company has constituted Nomination and Remuneration Committee of Directors and the Nomination and Remuneration Policy of your Company has been formulated in compliance of new guidelines and rules. The Nomination and Remuneration Committee undertakes a process of due diligence based on the criteria of qualifications, technical expertise, track record, integrity etc. for appointment of Independent Directors and other Directors. The basic objective of ascertaining the fit and proper criteria is to put in place an internal supervisory process on a continuing basis and to determine the suitability of the person for appointment / continuing to hold appointment as a Director on the Board of the Company. The Nomination and Remuneration Policy may be accessed on the Company's website at the link: <http://www.tfcilt.com/policies.html> and brief details are given below:

##### Remuneration Policy

##### I. Board Level Remuneration Structure

- (a) **For Managing Director/Whole-Time Director** - The remuneration is paid, as approved from time to time, subject to the approval of the Board and Shareholders as the case may be and as per the applicable provisions of Companies Act, 2013 and under any other Act/ Rules/ Regulations for the time being in force.
- (b) **In case of Non-Executive / Independent Directors** - During FY 2020-21 the Non-Executive Directors (except Government Servants) were paid sitting fee of ₹ 40,000 and ₹ 20,000 (plus tax) per meeting for attending the meetings of Board and its Committees respectively. The sitting fee was revised to ₹ 50,000 and ₹ 30,000 (plus tax) per meeting w.e.f. 10.2.2021 for attending the meetings of Board and its Committees respectively. However, Mr. Shyam Maheshwari; and Mr. Koppara Sajeev Thomas, Non-Executive director(s) representing promoter/ promoter's group are not drawing any sitting fee from the Company.

##### II. In case of Key Managerial Personnel and other Employees

The pay structure, allowances, facilities etc. of Key Managerial Personnel and all the regular employees are as per the pay scale, allowances and other facilities etc. as may be approved by the Board and its committee from time to time in line with the salary structure prevalent in similar organizations. The Performance Linked Incentives both for the Managing Director/ WTD/Key Managerial Persons/Other employees is as per the Board approved scheme.

#### 10. Directors' Responsibility Statement

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis as per the provisions of the Companies Act, 2013 and the guidelines issued by SEBI/RBI. The Ind AS are prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

In compliance of Section 134(5) of the Companies Act, 2013, your Directors confirm:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all



applicable laws and that such systems were adequate and operating effectively.

#### 11. 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 form prescribed 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 2020-21 and 2021-22. The addresses of the said Stock Exchanges are stated elsewhere in the Annual Report.

#### 12. Auditors

In terms of the provision of Section 139(1) of the Companies Act 2013, M/s Suresh Chandra & Associates (SCA), Chartered Accountants were appointed by the members as Statutory Auditors of the company for a period of five years effective from the financial year 2017-18 for a fee of ₹ 5 lakh plus applicable tax and their fee was increased to ₹ 6.25 lakh from FY 2020-21. However, in compliance of RBI circular dated April 27, 2021 (effective from FY 2021-22), the term of existing Auditors who has already completed tenure of three years shall end on 30.9.2021 and the Company shall appoint new Statutory Auditors for a period of three years. M/s. Suresh Chandra & Associates have communicated vide letter dated 10.8.2021 their intent to resign as statutory auditors of the Company since they have completed four years of continuous audit and are ineligible to continue as auditors. Accordingly, the Board of Directors on the recommendation of the Audit Committee recommended to approve appointment of M/s M. Verma & Associates, Chartered Accountants (Firm Registration No. 501433C) as Statutory Auditors of the company by the members in the forthcoming Annual General Meeting for a period of three years effective from the financial year 2021-22 for a fee of ₹ 7.50 lakh plus applicable tax.

##### 12.1 Auditors' Report

The Auditors Report alongwith notes to accounts referred to in the Auditors Report is self-explanatory and there are no qualifications in the report. The Company is not required to maintain cost record u/s 148 of the Companies Act, 2013.

#### 12.2 Secretarial Audit

In terms of Section 204 of the Act and Rules made there under, M/s Naveen Narang & Associates, Practicing Company Secretary were appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure 3 to this report. The report is self-explanatory and do not call for any further comments. Your Company complies with all applicable mandatory Secretarial Standards issued by The Institute of Company Secretaries of India.

#### 13. Particulars of Employees

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, list of employees drawing remuneration in excess of the limits set out in the said rules is as per details in Annexure 2.

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as Annexure 2.

#### 13.1 Committee on Sexual Harassment

Your company is fully committed to take appropriate measures against Sexual Harassment of Women at Workplace as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. No Complaints has been received in this regard during the year.

#### 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 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 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, 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

Your Company has transferred unclaimed/unpaid dividend and shares to Investor Education Protection Fund (IEPF) as required under the provision of the Companies Act, 2013 upto and including Financial Year 2012-13.



Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e August 17, 2020), with the Ministry of Corporate Affairs.

#### 16. Corporate Social Responsibility

Your Company has constituted Corporate Social Responsibility (CSR) Committee of Directors and the CSR Policy of your Company has been formulated for implementation in Compliance with the provision of Section 135 of the Companies Act 2013 and Rules made thereunder. The Corporate Social Responsibility Policy (CSR Policy) may be accessed on the Company's website at the link: <http://www.tfciltd.com/policies.html> The Corporate Social Responsibility (CSR) policy has been approved with a philosophy:-

- To support activities aimed at development of human skills particularly needed for tourism sector.
- To support activities/projects which would promote tourism in the country including protection of national heritage of art and culture, restoration of building and sites of heritage importance, work of art, promotion and development of traditional art, handicraft etc.
- To support activities which help cleaner, greener and healthier environment and thereby enhancing TFCI's perception as a social responsible entity.

Your Company during the year under review has undertaken CSR activities/projects during the year 2020-21 amounting ₹ 213.29 lakh (2% of the average net profit of the last three years) in compliance with CSR objectives and Policy of the Company and the total CSR approved amount of ₹ 213.29 lakh was spent. The detailed report on the CSR contribution made during the year 2020-21 is annexed as Annexure 1.

#### 17. Corporate Governance and other disclosures

Your Directors reaffirm their continued commitment to good corporate governance practices and endorse Corporate Governance practice in accordance with the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Your company has complied with all the mandatory requirements of the said clause. The Report on the Corporate Governance as stipulated under SEBI (LODR) Regulation forms part of the Annual Report. The requisite Certificate from M/s Naveen Narang & Associates, Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid SEBI (LODR) Regulation is attached to this report as Annexure A.

#### 17.1 Vigil mechanism

Pursuant to the requirement of the Companies Act 2013 and SEBI (LODR) Regulation, the Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Audit Committee. Employees may also report directly to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee. The policy on vigil mechanism and Whistle Blower policy may be accessed on the Company's website at the link: <http://www.tfciltd.com/policies.html>

#### 17.2 Related party transactions

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

There were no materially significant related party transactions entered by the Company with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company during the year. The Company's related party transactions are generally with its Associates. The related party transactions are entered into based on synergy in operations, long-term strategy for sectoral investments and profitability. All related party transactions are on an arms' length basis and are intended to further the Company's interests. Your Directors draw attention of the members to Note 38 to the financial statement which sets out related party disclosures.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Audit Committee and the Board may be accessed on the Company's website at the link: <http://www.tfciltd.com>

#### 17.3 Annual Return and Business Responsibility Report

The Annual Return of the Company as on March 31, 2021 is available on the Company's website and can be accessed at the link: <http://www.tfciltd.com>. Further, as stipulated under the Listing Regulations, the Business Responsibility Report (BRR) describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as Annexure 4.

#### 17.4 Statement containing salient features of financial statements of subsidiaries

Your Company has promoted a subsidiary company TFCI Capital Ltd. (TFCICL) and the consolidated financial statements have been prepared in accordance with Ind-AS 110 for the financial year 2020-21, as TFCICL has commenced operations during the year. A report on the performance and financial position of the subsidiary company as per the Companies Act, 2013 is provided in the prescribed Form AOC-1 as Annexure 2A. During the year under review, there



were no companies which have become or have ceased to be the subsidiary or joint venture of your Company.

#### 17.5 Documents placed on the Website

Pursuant to the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, the Company is required to place various Policies/Documents/ Details on the Website of the Company. The Company has a functional website and all the requisite information is being uploaded thereat.

#### 17.6 Risk Management Policy

The Company has developed and implemented the Risk Management policy and Asset Liability Management (ALM) Policy and the Risk Management Committee of the Board reviews the same periodically. Your Company has also constituted ALM Committee and Risk Management Committee for reviewing/implementing ALM policies and for managing the liquidity risk as well as interest-rate and other risks. ALCO meets every month and reviews the cash flows as well as the prevailing interest rate scenario, its likely impact on the profitability and the steps to be initiated for effectively meeting the liabilities on the due dates. ALCO is also responsible for ensuring adherence of limits set by the Board as well as deciding business strategies of TFCI in line with the overall budget and risk management policy. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its planned objectives. The Company's management systems, structures, processes, standards, code of conduct and behaviours together form the System that governs how it conducts the business of the Company and manages associated risks.

#### 17.7 Significant and material orders passed by the regulators

During the year under review, no significant and/or material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations. Your Company is registered with RBI as NBFC-ND-SI and not registered with any other financial sector regulators. No adverse order or penalties were levied during FY2020-21 by any regulators.

#### 17.8 Internal financial controls

The Company has in place set of standards, processes and structure which enable to implement internal control system and ensure that same are adequate and operating effectively commensurate with the size, scale and operations, of its business operation. To maintain objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

Internal Auditor of the Company monitors and evaluates the efficacy and adequacy of internal control systems in the company, its compliance with the operating systems, accounting procedures and policies at all locations of company's operation. Internal Audit Report stimulates other functional departments to improve their systems and procedures to strengthen the controls. All these

issues are regularly placed before the Audit Committee meeting for its deliberations and monitoring.

#### 17.9 Particulars of Loans given, Investments made, Guarantees given and Securities provided

Your Company is a specialised financial institution registered as Non-Banking Finance Company (NBFC-ND-SI) with RBI. It provides financial assistance to tourism related/other projects in the ordinary course of business against the mortgaged security. The details particulars may be referred to in the financial statements.

#### 17.10 Segment Reporting

Accounting Standard 17 regarding segment-wise reporting does not apply to your Company since revenues are primarily derived from only one segment i.e. financing of projects by way of loan or investments.

#### 17.11 Material Changes and Commitment Affecting Financial Position of the Company

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. March 31, 2021 and the date of the Directors' report i.e. September 3, 2021. In view of the current business environment, the Board of Directors has approved Business Plan for your Company with a view to explore the growth opportunities, both organic and inorganic across core hospitality segment and wholesale segment (social Infra and other resilient sectors). The Company proposes to grow its balance sheet size by cautiously pursuing the emerging opportunities which would enable us to leverage available capital and thereby improve return on equity.

#### 18. Acknowledgements

The Board expresses and places on record their gratitude for the consistent support and guidance given by the promoter and other shareholders and Banks. Your Directors wish to place on record their sincere gratitude to valued customers, bankers, investors 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

**S. Ravi**                      **Anirban Chakraborty**  
**(Chairman)**                **(Managing Director & CEO)**

Date : September 3, 2021

Place : New Delhi



# Management's Discussion and Analysis

## 1. Business and Economic Environment

The financial year 2020-21 (FY21) began amidst a global pandemic, the management of which led to countries adopting unprecedented measures (restrictions on local and global movement of people and goods, except for essential goods and services) that brought the global economy to a grinding halt. In consequence of the pandemic and efforts to contain it, the global economy contracted by 3.3% in CY 2020 as compared to a growth of 2.8% in previous year 2019. Advanced economies on an average contracted by 4.7% (US economy contracted by 3.5% and UK by 9.9%) while emerging markets and developing economies contracted on an average by 2.2%. Emerging and developing Asian economies contracted by 1.0% on an average and within this group, the Indian economy contracted by 8.0% while the economies of Sri Lanka, Maldives, Malaysia, Bhutan and Nepal contracted by 3.6%, 32.2%, 5.6%, 0.8% and 1.9% respectively. China was the only large economy to register a 2.3% growth in 2020 (Source: IMF, World Economic Outlook, April 2021).

Most developed and large economies responded to the pandemic by deploying measures to stimulate the economy through liquidity support, tax cuts and other regulatory changes. Economic output losses were particularly severe for countries that rely on tourism and commodity exports and for those with limited policy space to respond. The pandemic overshadowed all other major global events including the change in US administration, UK's deal with the EU post Brexit, extreme weather events and geo-political tensions closer home. (Source: World Travel & Tourism Council, Travel & Tourism- Economic Impact 2021).

On account of first wave of COVID-19 pandemic, Indian economy faced significant de-growth driven by stringent lockdown in Q1FY21. However, gradual unlocking of economy and release of pent-up demand led to growth returning to positive territory on y-o-y terms registering 0.4% GDP growth in Q3FY21. As per IMF estimates (Jan'21), India's GDP showed a de-growth of 8% in CY20 and is estimated to grow at 11.5% in CY21 & 6.8% in CY22. The Government of India also introduced measures equivalent to ₹ 29.87 lakh crore (~15% of India's GDP) to provide relief and support to the economy.

## 2. Industry Structure and Development

Global tourism suffered its worst-ever year in 2020, with international arrivals (worldwide) dropping by 74% according to the latest data from the United Nations World Tourism Organization (UNWTO). This

was due to an unprecedented fall in demand caused by the strict travel restrictions imposed by governments to curtail the spread of the pandemic. The global hotel industry comes under the umbrella of the travel and tourism industry which contributed 4.67 trillion USD to the global economy in CY 2020 (~5.5% of Global GDP) as compared to 9.17 trillion USD in previous year 2019 (~10.4% of Global GDP). Directly and indirectly, the travel and tourism industry accounted for ~272 million jobs (PY: 334 million) worldwide equivalent to 9 per cent (PY: 10 per cent) of total global employment.

The Indian hospitality industry along with tourism continues to be one of the key segments driving the growth of the services sector in the Indian economy. In 2019, travel and tourism sector contributed about 6.8% to country's GDP, providing employment to around 40 million people. The market size of India's hotel industry (within travel & tourism industry) was reported at ~24 billion USD. India ranks 34<sup>th</sup> in the Travel & Tourism Competitiveness Report published by World Economic Forum 2019.

Domestic tourists are the primary drivers of Indian tourism industry. In 2019 approximately 2,322 million domestic tourists visited other states/cities and accounted for nearly 83% of the travel & tourism spends. India also attracts large number of foreign tourists annually. In 2019, Foreign Tourist Arrival (FTAs) in India was approximately 10.9 million generating foreign exchange earnings of ~US\$30 billion. Tourism is the 3<sup>rd</sup> largest foreign exchange earner for the country. Indian outbound travel historically has been more than two & half times of the foreign inbound travel. In 2019, 31.4 million Indians visited foreign destinations as against 10.93 million inbound FTAs. However, due to COVID-19, arrival of foreign tourists in India & departure of Indians for foreign tours has been severally impacted.

In India, hotel investment trading volume declined 84% in 2020 as compared to the peak witnessed in 2019 (Source: JLL). During 2020-21, the nationwide hotel performance is estimated with average occupancy of ~34% (PY: 66%) and average room revenue (ARR) of ₹ 4,013/- (PY: ₹ 6,061/-), representing ~50% decline in occupancy and 33% decline in ARR (Source: Hotelivate- Indian Hospitality Report 2021). While performance of business hotels has not yet fully recovered, leisure markets led by domestic travellers have showcased some resilience both after the first and second wave of pandemic. Accordingly, it is expected that in the short term, those Indians who can afford to travel will choose destinations within India where in spread of COVID-19 is under control.



However, the economic recovery might get marginally delayed due to second wave of Covid-19 outbreak in March – May’21 albeit the impact is expected to be lower on account of milder and more localized lockdowns. With predictions of emergence of third Covid wave (August/September’21), current financial year is likely to remain under severe pressure. However, the recovery in FY22 may be faster and better than FY21 in view of the ongoing pace of vaccination drive in the country with certain states like Gujarat, Karnataka, Kerala, Andhra Pradesh, Uttarakhand and Rajasthan having vaccinated a greater proportion of their population.

TFCI in more than three decades of existence has played a catalytic role in building the tourism infrastructure of the country and has major exposure in financing of tourism projects particularly hotels viz. 5-Star, 4-Star and 3-Star segments. As on 31.03.2021, TFCI has loan book of ₹ 1977 crore (82% MSME) out of which 79% exposure is in Hospitality sector and residual 21% exposure comprises of Manufacturing, Education, Healthcare and NBFC sectors.

In these unprecedented times, TFCI has proactively assisted its existing borrowers by extending support through additional financing under various schemes like Emergency Credit Line Guarantee Scheme (ECLGS), RBI Covid package besides extending additional financing wherever required to enable the borrowers to tide over temporary liquidity mismatches till stabilization of operations. However, as the country starts to recover from the COVID impact, several affected tourist destinations are getting back on their feet. TFCI believes that there is speedy recovery on the horizon owing to the country wide vaccination drives. Additionally, a good number of Government led initiatives like introduction of ECLGS scheme, providing relief to contact intensive sectors like hospitality, etc. are likely to play pivotal role in quickly reviving the growth numbers to what they were before the pandemic.

3. Opportunities and Threats

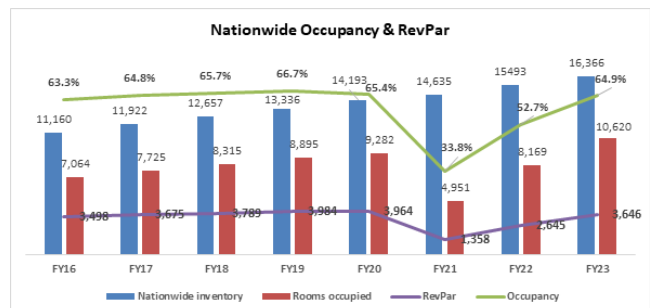
The Government of India is committed to facilitating a pro-business environment to enable the country to become the global hub of manufacturing and economic activities. Several measures have been taken resulting in the simplification and rationalization of many existing and age-old rules and regulations. The acceleration of investment friendly policies, structural reforms and low commodity prices has provided a strong impetus for growth. The introduction of information technology and single window clearance to make governance more efficient and effective were some of the other concrete steps taken by the Government to improve the environment of doing business. As per the Doing Business Report

(DBR), 2020, the rank of India in the Ease of Doing Business (EoDB) Index for 2019 has moved upwards to the 63<sup>rd</sup> position amongst 190 countries from a rank of 77 in 2018. India has improved its position in 7 out of 10 indicators, inching up to the international best practices. The DBR, 2020 acknowledges India as one of the top 10 improvers, the third time in a row, with an improvement of 67 ranks in three years. It is also the highest jump by any large country since 2011. India’s progress in EoDB rankings since 2009 and the comparative position of India vis-à-vis its peer group in DBR.

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth amongst the service sectors in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country which facilitates India to offer a diverse portfolio of niche tourism products – MICE, cruises, adventure, medical, wellness, sports, eco-tourism, film, rural and religious tourism. India has also been recognised as a destination for spiritual tourism for domestic and international tourists. India was globally the third largest in terms of investment in travel and the sector received cumulative FDI inflow of US\$ 15.61 billion between April 2000 and December 2020.

As the country starts to recover from the COVID impact, several affected tourist destinations are getting back on their feet. As per Industry estimates, though occupancy and ADR levels are expected to be higher in FY22 compared to FY21, complete recovery in hotel sector is likely to take another 2-4 years (depending on the location, product, size etc.) to achieve pre-COVID performance levels, as shown in the chart below. Overall, it is estimated that the average occupancy levels shall reach the 65% threshold only by FY23, while the pre-COVID ADRs may be achieved by FY24 only (with Branded segment recovering faster than unbranded Segment & Leisure segment recovering faster than Business segment).

Chart: Performance of hotel sector in India



Source: Hotelivate, April 2021





Concludingly, the demand-supply gap in India is very real and there is need for more hotels. The shortage is especially true within the budget hotels and the mid-market hotels segment as travellers look for safe and affordable accommodation. Various domestic and international brands have made significant inroads into this space and more are expected to follow as the potential for this segment of hotels becomes more obvious.

### 3.1 Tourism Sector

#### Government Initiatives for Tourism Sector Development:

As per the Travel and Tourism Competitiveness Index released by the World Economic Forum in April 2019, India is ranked 34 among 140 economies across the world, up 18 places since 2015. The Indian Government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. Some of the major initiatives planned by the Government of India are as follows:

- Tourism sector primarily has two schemes – PRASAD (Pilgrimage Rejuvenation And Spirituality Augmentation Drive to develop key religious circuits) and Swadesh Darshan (integrated development of theme-based tourist circuits) – both of which have been continued in 2021-22. A new scheme of iconic sites has also been introduced.
- Infrastructure is significant for tourism and this budget has talked of air connectivity to smaller cities.
- Greater emphasis on health infrastructure to position India as the global wellness destination of future.
- Government planning to boost tourism leveraging and developing 71 lighthouses in the country as tourist spots.
- Developed an initiative called SAATHI (System for Assessment, Awareness & Training for Hospitality Industry) by partnering with the Quality Council of India (QCI). The initiative will effectively implement guidelines/SOPs issued with reference to COVID-19 for safe operations of hotels, restaurants, B&Bs and other units.
- Launched “Dekho Apna Desh” webinar series to provide information on many destinations to promote India as a tourism destination.

### 3.2 Other Sectors:

- (a) **Infrastructure Sector:** Infrastructure sector is a key driver for the Indian economy. The sector is critical for propelling India's overall development and enjoys

intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Increased impetus to develop infrastructure in the country is attracting both domestic and international players. Foreign Direct Investment (FDI) received in Construction Development sector (townships, housing, built up infrastructure and construction development projects) from April 2000 to December 2020 stood at US\$25.93 billion, according to the Department for Promotion of Industry and Internal Trade (DPIIT). The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US\$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country. In Union Budget 2021-22, the Government has allocated ₹ 1.97 lakh crore (over the next 5 years starting from FY22 to Infrastructure sector in India under ‘AatmaNirbhar Bharat’. Besides, ₹ 2.87 lakh crore allocation for Urban Local Bodies for ‘JalJeevan Mission’ and ₹ 1.41 lakh crore for ‘Urban Swachh Bharat Mission’ that will be implemented in the next five years as part of the government's spending push in the infrastructure sector.

The Government of India has also launched various programmes to address gaps in Urban infrastructure. Some of the key programmes include the Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Heritage City Development and Augmentation Yojana (HRIDAY), Smart Cities Mission, Clean India Mission and R-Urban Mission.

TFCI actively provides financial support to social infrastructure projects viz. Healthcare and Education. The sector detail is as under:

- (i) **Healthcare:** Given the existing poor healthcare infrastructure in the country (only 12 beds per 10,000 population – less than half of Global median) and increased focus on improving healthcare delivery post Covid-19 pandemic, the sector is expected to grow at a CAGR of 17-18% over next 4 years with private healthcare space growing at a CAGR of 20-22%. In Union Budget 2021-22, GOI has also allocated 2.24 lakh crore for health & wellbeing comprising ~₹ 0.64 lakh crore under ‘PM AatmaNirbhar Swasth Bharat Yojana’ for the upgradation primary, secondary and tertiary care health system and sustainable health infrastructure and an additional ₹ 35,000 crore emergency fund has been allocated by GOI for Covid-19 vaccines in FY21. In addition, RBI has announced an on-tap liquidity window of ₹50,000 crore with tenors of up to three years at the repo rate till March 31, 2022 to boost provision of immediate liquidity by banks for ramping up



COVID related healthcare infrastructure and services in the country. Under the scheme, banks can provide fresh lending support to a wide range of entities including vaccine manufacturers; importers/suppliers of vaccine and priority medical devices; hospitals/dispensaries; pathology labs and diagnostic centres; manufacturers and suppliers of oxygen and ventilators; importers of vaccines and COVID-related drugs; COVID-related logistics firms and also patients for treatment. Banks are being incentivised for quick delivery of credit under the scheme through extension of priority sector lending (PSL) classification to such lending up to March 31, 2022. These loans will continue to be classified under PSL till repayment/maturity, whichever is earlier. Banks may deliver these loans to borrowers directly or through intermediary financial entities regulated by the RBI.

- (ii) **Education:** Total Education services market size is around ₹ 10 lakh crore (FY20) with K12 constituting 35% of the market, Higher education 25% and coaching classes constituting 23% while the remaining is comprised of Vocational, test-prep, publishing pre-school, Digital etc. Overall education sector is expected to grow at CAGR of 12-13% over the next 4 years with pre-schools, K-12, engineering/medical colleges driving majority of the growth. Government of India has also allocated ₹ 93,000 crore in FY21 for education comprising allocation of ₹ 3000 crore for 'Rashtriya Uchchar Shiksha Abhiyan (RUSA)' and an outlay of ₹ 50,000 crore over next 5 years has been kept for National Research Foundation (NRF).

#### 4. Performance

Your Company has been having satisfactory operational performance and financial indicators despite depressed market conditions for the last few years as detailed in para 3 of the Directors' Report.

Tourism sector has been impacted by COVID-19 pandemic and is expected to witness significant consolidation and to provide huge opportunity for refinancing/acquisition funding/structured/special situation solutions etc. In view of the current business environment, the Board of Directors has approved Business Plan for your Company with a view to explore the growth opportunities, both organic and inorganic, across core hospitality segment and wholesale segment (social Infra and other resilient sectors). The Company proposes to grow its balance sheet size by cautiously pursuing the emerging opportunities which would enable us to leverage available capital and thereby improve return on equity.

#### 4.1 Events occurring after Balance Sheet date

There were no significant events that occurred between

the end of the financial year and date of the Board's report.

#### 4.2 Key financial ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018 the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios. The Company has identified the following ratios as key financial ratios:

Particulars (₹ Crores)	FY21	FY20	Y-o-Y
Net Interest Income	117.49	119.51	-1.69%
Net Interest Margin (%)	5.31%	5.51%	-3.63%
Interest Coverage Ratio	1.78 times	1.81 times	
Net Profit (PAT)	80.75	81.02	-0.33%
Debt Equity Ratio	1.66:1	1.88: 1	
RoAA	3.65%	3.74%	-2.41%
RoAE	10.55 %	10.98%	-3.92%
Tangible Net worth	784.44	746.47	5.09%
Borrowings (Long term)	1303.60	1401.24	-6.97%
EPS(₹)	10.0	10.04	-0.40%
Book value per share (₹)	97.18%	92.48	5.08%

TFCI's standalone net profit was ₹ 80.75 crore during 2020-21 as against previous year ₹ 81.02 crore. As a result the Net Worth has increased to ₹ 791.63 crore as against previous year ₹ 753.52 crore. There has been no significant changes in the key sector specific financial ratios.

#### 5. Outlook

India is today the fastest growing major economy in the world. With economy expected to grow at around 8% annually and the government's support to the tourism sector, the demand for hotels and other tourism infrastructure projects is expected to improve considerably in mid-term. The growth in India's tourism, infrastructure, industrial/manufacturing, real-estate and services sectors is expected to result in opportunities for TFCI to expand its business at a steady rate in near future.

With hospitality business gaining an organised form with the advent of aggregators in the budget and economy space, the industry players are unanimous in their opinion that it will be technology that will be playing a major role in customer acquisition going forward. It is incumbent on the hotels to keep pace with the latest technology trends and new marketing tools on the online space. Despite all the trials and tribulations in the socio-political and economic spheres in the



country, the hospitality players are not overly concerned but rather hold faith in the future opportunities in the Indian market. They rest their confidence on the rapid urbanisation, improvements in the physical infrastructure, demographic changes, and above all the promises and policies of the government.

#### 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. TFCI has been managing the following risk effectively:

**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. 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, intense monitoring and supervision of the projects on a continuous basis.

**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. Discussion on financial performance/ Internal control systems and their adequacy:

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

#### 8. 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, 2021 was 41.



# 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, 2021 including MD & CEO, four Independent Directors and three Non-Executive Non-Independent Directors. The independent directors fulfill the conditions specified in SEBI (LODR) Regulations and are independent of the management. The information regarding director(s) who had demised/ceased to be director(s) before the expiry of his/her tenure during FY 2020-21 has been provided to Stock Exchange(s). The board confirmed that the independent directors fulfill the conditions specified in SEBI (LODR) Regulations and are independent of the management.

The Company follows a structured process of decision making by the Board and its Committees. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director/Committee member and in exceptional cases tabled at the Meeting with the approval of the Board/Committee member. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets. The Board has complete access to all the relevant information of the Company.

During the year, 6 Board Meetings were held on June 4, 2020; July 16, 2020; August 13, 2020; November 10, 2020; February 10, 2021; and March 30, 2021. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations.

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, 2021, 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*			
					Directorship in		Committee	
					Public Co.	Pvt. Co	Member	Chairman
1	Shri S.Ravi	NEID (Chairman)	6	Yes	4	2	5	4
2	Shri Anirban Chakraborty	MD & CEO	6	Yes	-	-	-	-
3	Shri Suman Billa #	Nominee-NEID	0	NO	-	-	-	-
4.	Shri S.C.Sekhar	NEID	6	Yes	1	-	1	-
5	Shri Bapi Munshi	NEID	6	Yes	1	-	2	1
6	Mrs. Thankom T.Mathew	NEID	6	Yes	1	-	3	-
7	Late Shri B.M.Gupta @	WTD	4	Yes	-	-	-	-
8.	Shri Shyam Maheshwari	NEID	5	NO	-	-	-	-
9.	Shri Koppara Sajeev Thomas	NEID	6	Yes	-	-	-	-
10	Shri R. K. Sood	NEID	6	Yes	-	-	1	-

# Withdrawal of Nomination by Ministry of Tourism noted on 10.11.2020

@ ceased to be WTD/director due to untimely demise on 26.11.2020

NEID : Non-Executive Director

NEID : Non-Executive Independent Director

MD& CEO : Managing Director & Chief Executive Officer

WTD : Whole Time Director

### Notes:

1. Other directorship includes directorship held in Private Companies and alternate directorship.
2. Committee positions of only two committees namely Audit Committee and Stakeholder Relationship Committee in only Indian Public Limited Company, whether listed or not, have been considered pursuant to the SEBI (LODR) Regulation.



3. None of Board member is relative of any other director of the Company.

**Board Directorships**

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes, if any, during the year. The Composition of the Board as on March 31, 2021 and other Directorships in Listed companies as per disclosure filed by Directors is as under:

DETAILS OF DIRECTORSHIP IN LISTED ENTITY			
Sl No	Name of Director	Name of Listed Entity	Nature of Directorship
1	Shri Anirban Chakraborty	1. Tourism Finance Corporation of India Ltd.	Managing Director & CEO
2	Shri Shyam Maheshwari	1. Tourism Finance Corporation of India Ltd.	Non-Executive Non-Independent Director
3	Shri Koppara Sajeeve Thomas	1. Tourism Finance Corporation of India Ltd.	Non-Executive Non-Independent Director
4	Shri Bapi Munshi	1. Tourism Finance Corporation of India Ltd	Independent Director
5	Shri S. Ravi	1. Tourism Finance Corporation of India Ltd.	Independent Director (Chairman)
6	Shri R.K.Sood	1. Tourism Finance Corporation of India Ltd	Non-Executive Non-Independent Director
7	Mrs. Thankom T. Mathew	1. Tourism Finance Corporation of India Ltd	Independent Director (Woman)
		2. STCI Finance Ltd.	Independent Director
8	Shri S.C. Sekhar	1. Tourism Finance Corporation of India Ltd	Independent Director
		2. International Travel House Ltd.	Independent Director

**Key Board qualifications, expertise and attributes**

The Board of Directors of your Company comprises qualified members who bring required skill, competence and expertise that allow them to make effective contribution to the Board and its committees. The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Sl No	Name of Director	Skill, competence and expertise
1	Shri Anirban Chakraborty	Project Finance, Banking, Advisory, Risk Management and Administration
2	Shri Shyam Maheshwari	Deal sourcing, credit analysis, Investment across Sectors, Audit, and Risk Management
3	Shri Koppara Sajeeve Thomas	Administration, Risk Management and IT
4	Shri Bapi Munshi	Project Finance, Banking and Risk Management
5	Shri S. Ravi	Accounts, Audit, Finance
6	Shri R.K.Sood	Administration
7	Mrs. Thankom T. Mathew	HR and Communication
8	Shri S.C. Sekhar	Accounts, Audit and project Finance

**2. Board Committee Meetings and Procedures**

The Company currently has the following committees in compliance of the SEBI (LODR) Regulation:

**(A) Audit Committee:**

**i) Constitution and Composition:**

The Audit Committee of the Board comprised of 3 Independent Directors. The Chairman of the Committee was an Independent Director. The Chairman of the Committee attended the last AGM. The Committee met 6 times on May 26, 2020, June 4, 2020, July 14, 2020, August 13, 2020, November 10, 2020 and February 10, 2021. The attendance of the members at the meetings was as follows:

Sl. No.	Name of member	Status	No. of Meetings Attended
1.	Shri S. C. Sekhar	Chairman (ID)	6
2.	Shri S. Ravi	Independent Director	6
3	Mrs. Thankom T. Mathew	Independent Director	6

The Whole Time Director, 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 terms of reference of the Audit Committee are as under:

1. Oversight of the company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management



- d. Significant adjustments made in the financial statements arising out of audit findings
- e. Compliance with listing and other legal requirements relating to financial statements
- f. Disclosure of any related party transactions
- g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor’s independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**(B) Nomination and Remuneration Committee**

**(i) Composition:**

During the year under report, the Nomination and Remuneration Committee of the Board comprised of 4 members (2 Independent Director (ID) and 2 Non-Executive Non-ID). The Chairman of the Committee is Independent Director. The Committee met 6 times during the year on June 9, 2020, November 10, 2020, February 10, 2021, March 1, 2021, March 23, 2021 and March 30, 2021. The names of the members and attendance are as follows:

Name of Member	Status	No. of Meetings Attended
1. Shri S. C. Sekhar	Chairman (ID)	6
2. Shri S. Ravi	Independent Director	6
3. Shri Koppara Sajeeve Thomas	NED (Non ID)	6
4. Shri Shyam Maheshwari	NED (Non ID)	5

**(ii) Terms of reference:**

The terms of reference of the Nomination and Remuneration Committee are as under:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a



policy relating to, the remuneration of the directors, key managerial personnel and other employees;

- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) recommend to the board, all remuneration, in whatever form, payable to senior management.

**(iii) Selection of Independent Directors and other Directors**

Considering the requirement of skill sets on the Board, individuals having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee of directors, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision.

**(iv) Remuneration Policy:**

Remuneration of employees consists of basic 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 the Industry. During the year, the salary of employees were rationalized for FY 2020-21 due to post COVID-19 circumstances. Further, it has been decided to migrate salary structure of all the employees (in old scale) to CTC based salary structure w.e.f. April 1, 2021. Your Company adopts policies with the objective to motivate employees to excel in their performance and to recognize their contribution.

**(v) Details of remuneration paid to Directors for the year 2020-21:**

- (i) Shri Anirban Chakraborty, Managing Director & CEO was paid remuneration of ₹1,73,67,924 (PY ₹2,08,51,625) during FY2020-21.
- (ii) Late Shri B.M.Gupta, Whole Time Director who had demised during the year was paid remuneration (including retirement benefits) of ₹ 1,19,99,688 during FY2020-21 (PY ₹ 70,46,824) including retirement benefits.
- (iii) No severance pay was payable on termination of appointment.
- (iv) No Stock Appreciation Rights (SARs) were granted.

**(vi) Details of remuneration paid to Non-Executive Directors**

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

S. No.	Name of the Director	Amount (in ₹)
1	Shri S.Ravi	708000
2	Shri S.C.Sekhar	778800
3	Mrs. Thanktom T. Mathew	601800
4	Shri Bapi Munshi	495600
5	Shri R.K.Sood	424800
	Total	3009000

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 ₹ 40,000 and ₹ 20,000 (plus tax) per meeting) for attending the meetings of Board and its Committees respectively. The sitting fee was revised to ₹ 50,000 and ₹ 30,000 (plus tax) per meeting w.e.f. 10.2.2021 for attending the meetings of Board and its Committees respectively.

**(vii) Details of Number of Shares and Convertible Instruments Held by Executive/Non-Executive Directors as on March 31, 2021:**

Shri S.C. Sekhar and Shri Koppa Sajeve Thomas, Director(s) were holding 500 and 76,86,633 equity shares of the company respectively as on 31<sup>st</sup> March, 2021. None of the other Executive/Non-Executive Director held shares/convertible Instruments of the Company as on 31<sup>st</sup> March, 2021.

**(C) Stakeholder Relationship Committee:**

- i) **Composition:** During the year under report, the Investor-Grievances Committee of the Board comprised of 3 Directors including



2 Independent Directors, 1 Non-Executive Director. The Chairman of the Committee is an Independent Director. During the financial year 2020-2021, the Committee met once. The names and the attendance of the members at the meeting were as follows:

Name of Member	Status	No. of Meetings Attended
1. Shri Bapi Munshi	Chairman (Independent Director)	1
2. Shri Anirban Chakraborty@	Managing Director	-
3. Shri R. K. Sood	Non-Executive Director	1
4. Mrs. Thankom T.Mathew#	Independent Director	1

#appointed as member w.e.f. 15.1.2021

@ ceased to be member w.e.f. 15.1.2021

**ii) Terms of reference:**

The role of the committee shall inter-alia include the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non - receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory Notices by the shareholders of the company.

During the year, 32 complaints were received from the shareholders and were replied/solved to the satisfaction of the shareholders. As on March 31, 2021, no complaints were pending. Shri Sanjay Ahuja, Company Secretary is the compliance officer of the Company.

**(D) Corporate Social Responsibility Committee**

**i) Composition**

During the year under report, the Corporate Social Responsibility Committee of the

Board comprised of 4 Directors including 2 Independent Directors, 1 Non-Executive Director and Managing Director. The Chairman of the Committee is an Independent Director. The Committee met 3 times during the year on July 17, 2020, September 29, 2020 and February 10, 2021. The names of the members and attendance are as under:

Name of Member	Status	No. of Meetings Attended
Mrs. Thankom T. Mathew	Chairman (Independent Director)	3
Shri S. Ravi#	Independent Director	1
Shri R. K. Sood	Non-Executive Director	3
Shri Suman Billa@	Non-Executive Director	Nil
Shri Anirban Chakraborty#	Managing Director & CEO	1
Late Shri B. M. Gupta*	Whole Time Director	2

@nomination withdrawn on 10.11.2020

\*ceased to be member due to demise on 26.11.2020

#appointed on 15.1.2021

**ii) Terms of reference:**

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
3. Monitor the Corporate Social Responsibility Policy of the company from time to time

**(E) Risk Management Committee**

The Risk Management Committee (RMC) was constituted adhering to the requirements of the Companies Act, 2013 and the SEBI (LODR) Regulations. The Committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company. During the year, RMC comprised of 1 Independent Director (Chairman of the meeting), 2 Non-Executive Director and Managing Director/WTD. The Committee's constitution meets with the requirements of the SEBI (LODR) Regulations. The Role and Responsibilities of Committee inter-alia includes the followings;





- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks and
  - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Four meetings of the Risk Management Committee were held during the year on June 3, 2020, July 14, 2020, November 10, 2020 and February 10, 2021 detailed as under:

Name of Member	Status	No. of Meetings Attended
Shri Bapi Munshi (Chairman)	Independent Director	4
Shri Anirban Chakraborty	Managing Director & CEO	4
Late Shri B. M. Gupta*	Whole Time Director	3
Shri Shyam Maheshwari	NED (Non ID)	3
Shri Koparra Sajeev Thomas	NED (Non ID)	4

\*ceased to be member due to demise on 26.11.2020

#### (F) Committee Meetings of Independent Directors

The Committee of Company's all Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meeting are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. One meeting of Independent Directors was held during the year 2020-21.

The independent directors in the meeting shall, inter-alia:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### 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 met 6 meetings. Report on the meetings of Share Transfer Committee is placed before the Board for information.

In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued. However, as per SEBI Notification dated June 8, 2018 and further amendment including dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

### 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
2019-20	August 17, 2020	11.30 a.m.	4 <sup>th</sup> Floor, Tower 1, NBCC Plaza, Sector V, Pushp Vihar, Saket, New Delhi – 110 017
2018-19	August 9, 2019	11.00 a.m.	Little Theatre Group Auditorium, Mandi House, 1, Copernicus Marg, New Delhi -110001
2017-18	August 10, 2018	11.00 a.m.	IFCI Tower, 61 Nehru Place, New Delhi-110019

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

AGM Date	Relevant provisions of the Companies Act 2013	Particulars of Special Resolutions
17.8.2020	Section 42, 71	Issue of Bonds/Debentures
9.8.2019	Section 42, 71	Issue of Bonds/Debentures
10.8.2018	Section 42, 71 Section 149, 152 Section 149, 152 Section 14	Issue of Bonds/Debentures Re-appointment of Shri S.C.Sekhar Independent Director Re-appointment of Dr. KBN Murthy Independent Director Alteration of Articles of Association

**6. Disclosures**

(A) Shri S.C. Sekhar and Shri Koppara Sajeev Thomas, Directors were holding 500 and 76,86,633 equity shares of the company respectively as on 31<sup>st</sup> March, 2021. None of the other Executive/Non-Executive Director held any shares/convertible Instruments of the Company as on 31<sup>st</sup> March, 2021.

(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 in note No.38 to the financial statement in accordance with “IND AS”. There was no transaction of material nature with the directors or the management or their subsidiaries or relatives during the year. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees.

**(D) Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed 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.

(F) The Company has complied with the mandatory requirements of the SEBI (LODR) Regulations.

**(G) Means of Communication:**

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

**Other information**

(H) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).- Not Applicable

(I) A Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority has been obtained and Attached as Annexure.

(J) During the year, no instances were reported where the board had not accepted any recommendation of any committee of the board which is mandatorily required.

(K) Total fees for all services to the statutory auditor: M/s Suresh Chandra & Associates, Statutory Auditors were paid fee of ₹ 9.28 lakh during 2020-21 (PY ₹ 7.47 lakh).



**6.1 Rating**

The bond issues, bank borrowings and commercial papers of TFCI are rated by CARE Ratings Ltd. (CARE), Brickwork Ratings India (P) Ltd. (BWR) and Acuite Rating & Research Ltd. (erstwhile SMERA Ratings Ltd.). The details of the same are as follows:

Rating Agency	Date of receipt of letter	Rating (Amount – ₹ in crore)		Rating Action
		Long-term Bonds	Bank Borrowings	
CARE	05.03.2021	A+ Outlook: Negative (681.50)	--	Reaffirmed
Brickwork	28.05.2020	BWR A+ Outlook: Negative (841.24)	BWRA+ Outlook: Negative (1150.00)	Rating Downgraded
ACUITE	02.03.2021	AA- Outlook: Negative (300.00)	--	Reaffirmed

**7. Reconciliation of Share Capital Audit**

A qualified practicing 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.

**8.1 Prohibition of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended and Companies Act, 2013. The Code is applicable to Promoters, Member of Promoter’s Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Code requires pre-clearance for dealing in the Company’s shares beyond threshold limits. Further, it prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company

and during the period when the Trading Window is closed. This Code is displayed on the Company’s website viz. www.tfciltd.com

**8.2 Whistle Blower policy**

The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee. This policy is displayed on the Company’s website viz. www.tfciltd.com

**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 29, 2021 at 11:30 a.m.** at 4<sup>th</sup> Floor, Tower 1, NBCC Plaza, Sector V, Pushp Vihar, Saket, New Delhi–110017

**9.2 Financial calendar (tentative)**

Financial Year: April 1, 2021 to March 31, 2022

Results for the quarter ending:

June 30, 2021	-	August 2021
September 30, 2021	-	October/ November 2021
December 31, 2021	-	January/February 2022
March 31, 2022	-	April/May 2022
Annual General Meeting	-	September, 2022

**9.3 Date of Book Closure**

September 23, 2021 to September 29, 2021

**9.4 Dividend Payment**

Credit/dispatched between October 20, 2021 to October 28, 2021.

**9.5 Listing on Stock Exchanges**

- Bombay Stock Exchange Ltd.,  
PhirozeJeejeebhoy Towers,  
Dalal Street, Mumbai- 400 001.
- National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra-KurlaComplex,  
Bandra (E), Mumbai - 400 051



**9.6 Stock-Market price data for the year 2020-2021**

TFCI Share Price (in ₹)

Month & Year	BSE		NSE	
	High	Low	High	Low
Apr-20	40.00	30.80	42.50	31.10
May-20	34.70	27.35	35.00	28.75
Jun-20	46.10	33.80	44.65	33.90
Jul-20	44.00	34.20	43.05	34.05
Aug-20	44.90	34.70	44.40	34.60
Sep-20	40.50	33.35	35.00	33.25
Oct-20	37.70	30.60	37.90	32.90
Nov-20	43.30	33.25	43.40	33.45
Dec-20	52.70	40.70	52.80	41.60
Jan-21	58.65	48.00	58.70	48.00
Feb-21	62.20	48.05	62.20	48.05
Mar-21	75.60	56.90	75.60	56.00

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 sensx during the year 2020-21

	(% change) Index	(% change) TFCI's share Price	(% change) TFCI relative to index
BSE Sensx	+68.00%	+80.88%	+12.88%
NSE Nifty	+70.87%	+81.98%	+11.11%

**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, 1<sup>st</sup> Floor, 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 the SEBI (LODR) Regulations 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, 2021**

Range	Shares	Folios	Percent Shares	Percent Holders
1 - 500	6698332	52244	8.30	88.47
501 - 1000	2921478	3461	3.62	5.86
1001 - 2000	2430668	1548	3.01	2.62
2001 - 3000	1536244	589	1.90	1.00
3001 - 4000	967962	267	1.20	0.45
4001 - 5000	1234977	260	1.53	0.44
5001 - 10000	2612968	349	3.24	0.59
10001 - 50000	5395007	247	6.68	0.42
50001 - 100000	2535538	35	3.14	0.06
And Above	54383574	52	67.38	0.09
Total	80716748	59052	100.00	100.00

**9.11 Categories of Shareholders as on March 31, 2021**

SHAREHOLDING PATTERN		
Name of Shareholder	No. of Equity Shares Held	In %
<b>I. Promoters/Promoters Group</b>		
(i) India Opportunities III Pte. Ltd	8061597	9.99
(ii) Koppara Sajeev Thomas	7686633	9.52
(iii) Tamaka Capital (Mauritius) Limited	2421502	3.00
(iv) Life Insurance Corporation of India	2960644	3.67
(v) The Oriental Insurance Co. Ltd	861527	1.07
<b>Total Promoters/Promoters Group Holding</b>	<b>21991903</b>	<b>27.25</b>
<b>II. Non Promoters Shareholders</b>		
1. Mutual Fund	2000	0.00
2. Banks/Financial Institutions	780	0.00
3. Foreign Portfolio Investors	13257052	16.42
4. Govt of India-IEPF Account	894038	1.11
5. Bodies Corporates	8780540	10.88
6. Individual Shareholding (General Public)	32828587	40.67
7. Trust & Cooperative Society	50	0.00
8. NRIs	2953840	3.66
9. NBFCs	7958	0.01
<b>Total Public shareholding</b>	<b>58724845</b>	<b>72.75</b>
<b>Grand Total</b>	<b>8,07,16,748</b>	<b>100.00</b>



### 9.12 Dematerialization of Shares

Sl. No.	Electronic/physical	Mode of holding %
1	NSDL	76.84%
2	CDSL	21.59%
3	Physical	1.57%
	TOTAL	100.00%

Trading in Equity Shares of the Company is permitted only in dematerialized form. As on March 31, 2021, 98.43% of Company's total equity shares representing 7,94,46,664 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/liason office at Mumbai.

### 9.15 Address for correspondence:

The Company's registered office is situated at:  
4<sup>th</sup> Floor, Tower 1,  
NBCC Plaza, Sector V, Pushp Vihar, Saket,  
New Delhi – 110 017  
Phone No.: 011-47472200 Fax:011-29561171  
Email: ho@tfcilt.com, Website: www.tfcilt.com  
Designated Email-id for investors' queries:  
complianceofficer@tfcilt.com

The Company's other office is situated at:  
607, 6<sup>th</sup> Floor, Lodha Supremus,  
Senapati Bapat Marg,  
Opp Kamla Mills,  
Lower Parel,  
Mumbai 400013  
Phone: 022-40591106

Shareholders' correspondence should be addressed to:

MCS Share Transfer Agent Ltd.,  
Registrar and Transfer Agent,  
F-65, 1<sup>st</sup> Floor, Okhla Industrial Area Phase I, New  
Delhi-110 020  
Phone: 011-41406149/51/52, Fax:011-41709881  
Email: helpdeskdelhi@mcsregistrars.com

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

Debenture Trustee:  
IDBI Trusteeship Services Limited  
Asian Building, Ground Floor,  
17, R. Kamani Marg, Ballard Estate,  
Mumbai – 400 001  
T: 022-40807012

### 10. Review of Directors' Responsibility Statement

The Board, in its Report, has confirmed that the annual accounts for the year ended March 31, 2021 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 Secretarial Auditors have issued certificate confirming compliance with the conditions of Corporate Governance as stipulated the SEBI (LODR) Regulations. 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 SEBI (LODR) Regulation. 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 SEBI (LODR) Regulation.



**REPORT ON CSR ACTIVITIES/ INITIATIVES**  
**[Pursuant to Section 135 of the Act & Rules made thereunder]**

1. A brief outline of the company's CSR policy, including overview of the projects or programmes proposed to be undertaken

**Vision Statement**

To promote and create additional employment opportunities particularly in Tourism Sector by enhancing vocational skill specially among the children, women, young entrepreneurs, by undertaking livelihood enhancement projects as a key contributor to the growth of India and support sustainable development activities aimed at creating a cleaner, greener and healthier environment. To support project which would promote tourism in the country by preservation/protection/enhancement of tourism products of the country.

**Objective**

- To support activities aimed at development of human skills particularly needed for tourism sector.
  - To support activities/projects which would promote tourism in the country including protection of national heritage of art and culture, restoration of building and sites of heritage importance, work of art, promotion and development of traditional art, handicraft etc.
  - To support activities which help cleaner, greener and healthier environment and thereby enhancing TFCI's perception as a social responsible entity.
2. The composition of the CSR Committee

During the year under report, the Corporate Social Responsibility Committee of the Board comprised of 4 Directors including 2 Independent Director, 1 Non-Executive Directors and Managing Director. The Chairman of the Committee is an Independent Director.

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Thankom T. Mathew	Chairman (Independent Director)	3	3
2	Shri S. Ravi <sup>#</sup>	Independent Director	3	1
3	Shri R.K.Sood	Non-Executive Director	3	3
4	Shri Suman Billa <sup>@</sup>	Non-Executive Director	3	0
5	Shri Anirban Chakraborty <sup>#</sup>	Managing Director & CEO	3	1
6	Late Shri B.M.Gupta <sup>*</sup>	Whole Time Director	3	2

*@nomination withdrawn on 10.11.2020*

*\*demised on 26.11.2020*

*#appointed on 15.1.2021*

3. WEB-LINK FOR DETAILS ON COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD: [www.tfciltd.com](http://www.tfciltd.com)
4. IMPACT ASSESSMENT OF CSR PROJECTS  
Not applicable
5. AMOUNT AVAILABLE FOR SET OFF

Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2020-21	NIL	NIL
2	2019-20	NIL	NIL
3	2018-19	NIL	NIL
	<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>

6. Average Net Profit of the company as per section 135(5): ₹ 106,64,49,638



**TOURISM FINANCE CORPORATION OF INDIA LIMITED**

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 2,13,29,000
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 2,13,29,000
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
2,13,29,600/-	NIL	NIL	NIL	NIL	NIL

(b) Details of CSR amount spent against ongoing projects for the financial year: Not applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
	N.A											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name.	CSR regist. number.
1	PARIVAAR EDUCATION SOCIETY towards contribution for supporting education, nutritional and overall development of destitute and needy children.	Education	No	M.P.	Khandwa	12,43,000	NO	Parivaar Education Society	
2	Bharat Lok Siksha Parishad (under the ages of Ekal Abhiyan or one village one school) towards contribution for supporting 25 Ekal Vidyalas.	Education	Yes	Delhi	Delhi	5,50,000	NO	Bharat Lok Siksha Parishad	
3	SBM Senior Secondary School (DLF Foundation implementing agency) towards contribution for providing 50 tablet phones to economically weaker needy students to attend online school classes in Delhi.	Education	Yes	Delhi	Delhi	4,31,600	NO	DLF Foundation	
4	Friends of Tribal Society (part of Ekal Abhiyan or one village one school) towards contribution for supporting 114 one teacher one school called Ekal vidyalaya in rural villages of India.	Education	No	W. Bengal	Kolkata	25,08,000	NO	Friends of Tribal Society	
5	Ruchika Social Service Organization for an innovative School on Wheel programe by providing three Richshaw Trolley (Battery operated Totos) and education related material to reach out to the street children.	Education	No	Orissa	Bhubaneswar	6,75,000	NO	Ruchika Social Service Organization	
6	Contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations (CARE) Fund	Prime Minister's CARE Fund	Yes	Delhi	Delhi	1,59,22,000	Yes		
						2,13,29,600		Total	



- (d) Amount spent in Administrative Overheads: Nil  
 (e) Amount spent on Impact Assessment, if applicable: **Not Applicable**  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e): **2,13,29,600/-**  
 (g) **Excess amount for set off, if any**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	2,13,29,000/-
(ii)	Total amount spent for the Financial Year	2,13,29,600/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	600/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	600/-

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Not applicable**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1	2020-21	N.A	N.A	N.A	N.A	N.A	N.A
2	2019-20	N.A	N.A	N.A	N.A	N.A	N.A
3	2018-19	N.A	N.A	N.A	N.A	N.A	N.A
	<b>TOTAL</b>						

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not applicable**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
1	N.A	N.A	2020-21	N.A	N.A	N.A	N.A	N.A
2	N.A	N.A	2019-20	N.A	N.A	N.A	N.A	N.A
3	N.A	N.A	2018-19	N.A	N.A	N.A	N.A	N.A
	<b>TOTAL</b>							

Date : August 10, 2021  
 Place : New Delhi

Sd/-  
 (Director)

Sd/-  
 (Chairman of CSR Committee)





Annexure 2

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirements	Disclosure
1.	The ratio of the remuneration of each director to the median remuneration* of the employees for the financial year	Shri Anirban Chakraborty, MD 5.62:1 Late Shri B.M.Gupta, WTD 3.86:1
2.	The percentage increase* in remuneration of each director, CFO, CEO, CS in the financial year	Shri Anirban Chakraborty, MD -17% Late Shri B.M.Gupta, WTD* N.A Shri Anoop Bali, CFO# 1% Shri Sanjay Ahuja, CS # 3%
3.	The percentage increase* in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 8.85%. The calculation of 8.85% increase in Median Remuneration is done based on comparable employees.
4.	The number of permanent employees on the rolls of the Company	There were 41 employees as on March 31, 2021
5.	The explanation on the relationship between average increase in remuneration and Company performance	The Company follows fixed pay structure for the all the permanent employees which are comparable with similar financial institutions. However, the performance linked incentives are based on the financial performance of the Company. During the year, the salary of employees were rationalized for FY 2020-21 due to post COVID-19 circumstances. Further, it has been decided to migrate salary structure of all the employees (in old scale) to CTC based salary structure w.e.f. April 1, 2021.
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	During FY 2020-21, KMPs were paid remuneration approximately 4.72 % of the net profit for the year.
7.	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	The Market capitalization of the Company has increased from ₹ 273.22 Crores as of March 31, 2020 to ₹ 497.21 Crores as of March 31, 2021. Over the same period, the price to earnings ratio moved from 3.37 to 6.16 TFCI stock price as at March 31, 2021 has increased by 81.98 % to ₹ 61.60 over the last year 31.3.2020 price of ₹ 33.85.
8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Not Applicable to the Company, as all the employees are considered under Managerial role.
9.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	The comparison of remuneration of each of the Key Managerial personnel against the performance of the Company is as under : <b>Particulars</b> <b>% of Net Profit for FY 2020-21</b> MD 2.15% WTD 1.48% CFO 0.61% CS 0.48%



10.	The key parameters for any variable component of remuneration availed by the directors	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 ₹ 40,000 and ₹ 20,000 (plus service tax) per meeting to Non-Executive Directors for attending the meetings of Board and its Committees respectively. The sitting fee was revised to ₹ 50,000 and ₹ 30,000 (plus tax) per meeting w.e.f. 10.2.2021 for attending the meetings of Board and its Committees respectively. The Non-Executive directors (promoter group) are not drawing any sitting fee from the Company.
11.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Nil
12.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, the remuneration payable to MD/ Employees are as per the remuneration policy of the company approved by the Board.

13. Name of every employee of the company, who:

B. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The details of permanent employees ( those in receipt of remuneration not less than One Crore two lakh rupees per annum or If employed for a part of the financial year, was in receipt of remuneration not less than Eight lakh Fifty Thousand rupees per month) is as under:

Name	Age	Designation	Remuneration (as per Form 16)	Qualifications	Experience (Year)	Date of Commence of Employment	Previous Employment/ Position Held	Whether relative of any director or manager /share held
1.Shri Anirban Chakraborty	50	Managing Director & CEO	1,73,67,924	B.Tech, PGDBM (Financial Management)	27 years	15.4.2019	Dy. CEO Axis Capital Ltd.	N.A
2.Shri Ajit Dash Choudhury	46	Executive Director	1,17,25,176	C.A	22 years	29.8.2019	Country Head (Mid Corporate) Axis Bank	N.A

**General Notes**

- (1) Remuneration in case of MD/WTD is as per the terms of appointment approved by the Board and Shareholders.
- (2) WTD demised during the year\*
- (3) The Remuneration for the purpose of this table is defined as per the Form 16#.

Date : August 10, 2021  
Place : New Delhi

Sd/-  
(Director)

Sd/-  
(Chairman of CSR Committee)



## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

## Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ )

Sl. No.	Particulars	Details
1.	Sl. No.	1
2.	Name of the subsidiary	TFCI CAPITAL LIMITED (CIN: U74999DL2019PLC352536)
3.	The date since when subsidiary was acquired	12 <sup>th</sup> July, 2019
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period (Financial year ending on March 31, 2021)	From 01/04/2020 To 31/03/2021
5.	Reporting currency and Exchange rate as the last date of Financial year	Indian Rupees
6.	Share capital	₹ 500,000
7.	Reserves & surplus	(374019)
8.	Total assets	₹ 214481
9.	Total Liabilities	₹ 214481
10.	Investments	--
11.	Turnover	--
12.	Profit/ (Loss) before taxation	(344519)
13.	Provision for taxation	--
14.	Profit/ (Loss) after taxation	(344519)
15.	Proposed Dividend	--
16.	Extent of shareholding (In percentage)	100%

## Notes:

- Names of subsidiary : **TFCI CAPITAL LIMITED**
- Names of subsidiaries which have been liquidated or sold during the year: N.A.

(Anirban Chakraborty)  
Managing Director & CEO

(S.Ravi)  
Non-Executive Chairman

Date : May 31, 2021  
Place : New Delhi

(Sanjay Ahuja)  
Company Secretary

(Anoop Bali)  
Chief Financial Officer

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

For the financial year ended 31<sup>st</sup> March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Tourism Finance Corporation of India Limited**  
4<sup>th</sup> Floor, Tower-1, NBCC Plaza, PushpVihar,  
Sector-5, Saket, New Delhi-110017

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tourism Finance Corporation of India Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Tourism Finance Corporation of India Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Tourism Finance Corporation of India Limited for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made there under;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;



- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the Audit Period)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2016; (Not applicable to the Company during the Audit Period) and
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period)
- (vi) Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
  - (a) Recovery of Debts to Banks and Financial Institutions Act, 1993.
  - (b) The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
  - (c) RBI Act, 1934 and the Rule & Regulations made thereunder.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, (erstwhile Listing Agreement) entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company obtained consent of shareholders by way of Special resolution in its Annual General meeting in respect of following matter:

- (i) Under Section 42, 71: For approval of invitation to subscribe to securities, including but not limited to bonds and non-convertible debentures, by way of private placement.

For NAVEEN NARANG & ASSOCIATES  
COMPANY SECRETARIES

Place : Delhi  
Date : 10.06.2021

(NAVEEN NARANG)  
FCS: 6193  
CP: 6621  
UDIN: F006193C000441947

This report is to be read with our letter of even date, which is annexed as Annexure A and forms an integral part of this report.



To,  
The Members,  
**Tourism Finance Corporation of India Limited**  
4<sup>th</sup> Floor, Tower-1, NBCC Plaza, PushpVihar,  
Sector-5, Saket, New Delhi-110017

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Naveen Narang & Associates**  
Company Secretaries

(Naveen Narang)  
Proprietor

Membership No. 6193

C.P. No. 6621

Place: Delhi  
Date: 10.06.2021

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015

**Annexure 3B**

To  
The Members,  
Tourism Finance Corporation of India Limited  
4<sup>th</sup> Floor, Tower-1, NBCC Plaza, PushpVihar,  
Sector-5, Saket, New Delhi-110017

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Tourism Finance Corporation of India Limited having CIN L65910DL1989PLC034812 and having registered office at 4<sup>th</sup> Floor, Tower-1, NBCC Plaza, Pushp Vihar, Sector-5, Saket, New Delhi-110017 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 has been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY
1.	Mr. Sethurathnam Ravi	00009790	06/11/2013
2.	Mr. S. C. Sekhar	00024780	18/03/2015
3.	Mr. Bapi Munshi	02470242	01/02/2018
4.	Ms. Thankom T Mathew	00025326	24/10/2018
5.	Mr. Shyam Maheshwari	01744054	15/03/2019
6.	Mr. Koppara Sajeve Thomas	08069585	15/03/2019
7.	Mr. Anirban Sudarshan Chakraborty	08402393	15/04/2019
8.	Mr. Ravinder Kumar Sood	07127966	30/09/2019

**For NAVEEN NARANG & ASSOCIATES**  
**COMPANY SECRETARIES**

(NAVEEN NARANG)

FCS: 6193

CP: 6621

UDIN: F006193C000442013

Place : Delhi  
Date : 10.06.2021



## MANAGING DIRECTOR & CEO / CHIEF FINANCIAL OFFICER CERTIFICATION

We, Anirban Chakraborty, Managing Director & CEO (MD & CEO) and Anoop Bali, Chief Financial Officer (CFO) of Tourism Finance Corporation of India Limited, 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:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 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. There are, to the best of our knowledge and belief, no transactions entered into by the company 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 the internal control systems of the company pertaining to financial reporting and we 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 indicated to the Auditors and the Audit Committee:
- significant changes in internal control over financial reporting during the year;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : New Delhi  
Date : May 28, 2021

Sd/-  
**(Anoop Bali)**  
Chief Financial Officer

Sd/-  
**(Anirban Chakraborty)**  
Managing Director & CEO

## DECLARATION BY THE MANAGING DIRECTOR UNDER SEBI (LODR) REGULATIONS, 2015

I hereby confirm that all Board Members and Senior Management Personnel have confirmed compliance with Code of Conduct for Directors and Senior Management Personnel for the Financial Year ended March 31, 2021.

Place : New Delhi  
Date : May 31, 2021

**Anirban Chakraborty**  
Managing Director & CEO

## 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 31<sup>st</sup> March, 2021, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 **NAVEEN NARANG & ASSOCIATES**  
**COMPANY SECRETARIES**

Place : New Delhi  
Date : June 10, 2021

(NAVEEN NARANG)  
FCS: 6193  
CP: 6621  
UDIN: F006193C000441958



**BUSINESS RESPONSIBILITY REPORT FOR FY 2020-21**  
 [In pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations  
 and Disclosure Requirements) Regulations, 2015]

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

S. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L65910DL1989PLC034812
2	Name of the Company	Tourism Finance Corporation of India Limited
3	Registered address	4 <sup>th</sup> Floor, Tower 1, NBCC Plaza Pushp Vihar, Sector-5, Saket, New Delhi 110017
4	Website	www.tfcilt.com
5	E-mail id	complianceofficer@tfcilt.com
6	Financial Year reported	01.04.2020 - 31.03.2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Financial Services (Other financial service activities, except Insurance and pension funding activities, NIC code 64990)
8	Key services provided by the Company	The Company was established in 1989 and has track record of more than three decades in providing finance to Tourism and other allied Sectors all over India.
9	Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations: NIL (b) Number of National Locations: 2. The Company has Registered office in Delhi and office in Mumbai.
10	Markets served by the Company	All over India

**SECTION B: FINANCIAL DETAILS OF THE COMPANY (AS ON 31.3.2021)**

S. No.	Particulars	Company Information
1	Paid up Capital (INR in Lakh)	₹ 8,071.67
2	Total Turnover (INR in Lakh)	₹ 25850.69
3	Total profit after taxes (INR in Lakh)	₹ 8074.74
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) (Standalone)	The Company has spent ₹ 213.29 lakh during the Financial Year 2020-21 on CSR activities, which is 2% of the average net profit of the last 3 years.
5	List of activities in which expenditure in 4 above has been incurred	CSR activities during 2020-21 were mainly done in Education, Malnutrition, Sanitization and Social Welfare. (For more detail please refer to CSR activities attached as part of Report of Board of Directors)

**SECTION C: OTHER DETAILS**

S. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/ Companies	Yes (TFCI Capital Ltd.)
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable. TFCI Capital Ltd operations are minimal.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No.



**SECTION D: BR INFORMATION**

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

No.	Particulars	Details
1	DIN Number (if applicable)	08402393
2	Name	Shri Anirban Chakraborty
3	Designation	Managing Director & CEO

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Shri Sanjay Ahuja
3	Designation	Company Secretary
4	Telephone number	Phone: 01129561180 Fax:01129561171
5	e-mail id	complianceofficer@tfcilttd.com

2. Principle-wise (as per NVGs) BR Policy/policies:

The Business Responsibility Policy (“BR Policy”) addressing the following 9 principles as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs). The 9 principles outlined in the National Voluntary Guidelines are as follows:

P 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P 2	Businesses should provide goods and services that are safe and Contribute to sustainability throughout their life cycle
P 3	Businesses should promote the well being of all employees
P 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P 5	Businesses should respect and promote human rights
P 6	Business should respect, protect and make efforts to restore the environment
P 7	Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner
P 8	Businesses should support inclusive growth and equitable development
P 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for	Y	-	Y	Y	Y	-	-	Y	Y
2	Has the policy being formulated in Consultation with the relevant stakeholders?	Y	-	Y	Y	Y	-	-	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	-	Y	Y	Y	-	-	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	-	Y	Y	Y	-	-	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	-	Y	Y	Y	-	-	Y	Y
6	Indicate the link for the policy to be viewed online?	#	-	#	#	#	-	-	#	#





7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	Y	-	-	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	-	Y	Y	Y	-	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	-	Y	Y	Y	-	-	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	-	N	N	N	-	-	N	N

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	*	-	-	-	*	*	-	-

<sup>#</sup><https://www.tfciltd.com/corporate-policy>

\*Considering the nature of company's business, these Principles have limited applicability. The Company complies with Regulations governing its operations and has taken initiatives to promote inclusive growth and environmental sustainability.

3. Governance related to BR

No	Particulars	Details
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Board of Directors / its Committees / MD&CEO or any authorised officials of the Company, as the case may be, assesses the BR Performance on Annual basis
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The information on Business Responsibility has, by and large, been included in the section – Management Discussion and Analysis Report which forms part of the Annual Report of the Company on annual basis and now in a separate section of the Annual Report. The same is also available on the website of the Company at <a href="https://www.tfciltd.com/corporate-policy">https://www.tfciltd.com/corporate-policy</a>



SECTION E: PRINCIPLE -WISE PERFORMANCE

**Principle-1**

**Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

- 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?**

Yes, The Company has defined a Code of Conduct to deter wrongdoings and to promote ethical practices. Yes, the Code extends to all dealings with suppliers, customers and other business partner

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

	Pending as on 01-04-2020	Received during the Year	Redressed during the year	Pending as on 31-03-2021
Customer Complaints	Nil	Nil	Nil	Nil
Investor Complaints	Nil	Nil	Nil	Nil
Consumer cases	Nil	Nil	Nil	Nil

**Principle-2**

**Businesses should provide goods and services that are safe and Contribute to sustainability throughout their life cycle**

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Not Applicable

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

**(a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?**

**(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company operates in financial services sector, therefore this aspect doesn't relate to the nature of its business. However, the Company extensively monitors its energy consumption.

- 3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company is in the Financial Service Sector, therefore this aspect doesn't relate to the nature of its business.

- 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Not Applicable

- 5. Does the company have a mechanism to recycle products and waste?**

**If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Not Applicable

**Principle-3**

**Businesses should promote the well being of all employees**

- 1. Please indicate the Total number of employees: 41**
- 2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis: 1**
- 3. Please indicate the Number of permanent women employees: 6**



- 4. Please indicate the Number of permanent employees with disabilities: NA
- 5. Do you have an employee association that is recognized by management: NO
- 6. What percentage of your permanent employees is members of this recognized employee association? NA
- 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

- 8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?
  - (a) Permanent Employees
  - (b) Permanent Women Employees
  - (c) Casual/Temporary/Contractual Employees
  - (d) Employees with Disabilities

The Company has established in-house systems in place to inculcate high performance culture in the organization. The Company periodically organize the training programmes for upgrading functional and soft skills of employees. The Company provide Induction training to all the employees and on regular intervals various other training program are attended by the employees to update subject knowledge. In order to ensure healthy working conditions and prevent sexual harassment of women employees, the Company has constituted Internal Complaint Committees

**Principle-4**

**Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

- 1. Has the company mapped its internal and external stakeholders? Yes/No  
No
- 2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?  
Not Applicable
- 3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.  
Not Applicable

**Principle-5**

**Businesses should respect and promote human rights.**

- 1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?  
This is covered under Policy on Business Responsibility Report. It is available on the website of the Company [www.tfciltd.com](http://www.tfciltd.com)
- 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
Kindly refer Principle 1 point no. 2.



### Principle-6

**Business should respect, protect and make efforts to restore the environment.**

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.**

Not Applicable

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Yes/No. If yes, please give hyperlink for web page etc.**

Not Applicable

3. **Does the company identify and assess potential environmental risks? Y/N**

Not Applicable

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

Not Applicable

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Yes/No. If yes, please give hyperlink for web page etc.**

Not Applicable

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCBI SPCB for the financial year being reported?**

Not Applicable

7. **Number of show causal legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Not Applicable

### Principle-7

**Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner.**

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

ASSOCHAM, CII, FHRAI and WTTCII

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Yes. Representations had been submitted to the Government and other authorities on various matters for the improvement of Tourism and related matters for public good

### Principle-8

**Businesses should support inclusive growth and equitable development**

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes, Please refer to Annual Report on CSR Activities

2. **Are the programmes/projects undertaken through in-house team/ own foundation/ external NGO/government structures/ any other organization?**

Yes, various programmes have been carried out by the Company though in house team and external NGO.

3. **Have you done any impact assessment of your initiative?**

The Company has a process for doing the impact assessment for its key CSR interventions by engaging Employees of the company on the regular basis.



**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

During FY2020-21 ₹ 213.29 lakh was spent on CSR activities as per details mentioned in Annual Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The Company's CSR initiatives are aligned to the mission of driving a positive change in the communities. The Company actively implements projects and initiatives in the areas of health, education, skill development & social welfare. As part of CSR initiative the Company has sponsored education of needy children in rural area by assisting for their infrastructure, school bags, stationery, uniform, food etc. Your company believes that education is one of the most important investments which can create positive impact on society. Your Company has also contributed for providing mid-day food for needy school going children and upgradation of sanitisation/toilet facilities for public good. It is Company's continuous endeavor to increase its CSR impact and spend over the coming years, supplemented by its continued focus towards social welfare including health, education and sanitation. For further Details please refer to Annual Report on CSR activities for details.

**Principle-9**

**Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

No customer complaints/ consumer cases are pending as on the end of the financial year.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

Not Applicable

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

NA



**APPENDIX TO DIRECTORS' REPORT**

**PROJECTS WISE AND PURPOSE WISE CLASSIFICATION OF FINANCIAL ASSISTANCE SANCTIONED DURING FY 20-21 AND CUMULATIVE UPTO 31.3.21**

(₹ In Lakh)

Purpose	New		Expansion		Ren./Eq. Finance		Exp/Reno/ Acq./Restr.		Total	
	No	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
5 STAR HOTEL	1	1000	0	0	0	0	0	14483	1	15483
	<b>97</b>	<b>211875</b>	<b>17</b>	<b>18476</b>	<b>18</b>	<b>13208</b>	<b>52</b>	<b>166562</b>	<b>184</b>	<b>410121</b>
4 STAR HOTEL	1	2500	0	0	0	0	0	8079	1	10579
	<b>62</b>	<b>113476</b>	<b>8</b>	<b>11857</b>	<b>6</b>	<b>2395</b>	<b>14</b>	<b>37069</b>	<b>90</b>	<b>164797</b>
3 STAR HOTEL	0	0	0	0	0	0	0	7906	0	7906
	<b>286</b>	<b>206572</b>	<b>27</b>	<b>19862</b>	<b>14</b>	<b>5283</b>	<b>54</b>	<b>59603</b>	<b>381</b>	<b>291320</b>
2 STAR HOTEL	0	0	0	0	0	0	0	1881	0	1881
	<b>26</b>	<b>12568</b>	<b>1</b>	<b>388</b>	<b>1</b>	<b>90</b>	<b>3</b>	<b>3704</b>	<b>31</b>	<b>16750</b>
HERITAGE	0	0	0	0	0	0	0	0	0	0
	<b>17</b>	<b>3764</b>	<b>3</b>	<b>1030</b>	<b>2</b>	<b>425</b>	<b>2</b>	<b>586</b>	<b>24</b>	<b>5805</b>
UNCLASSIFIED	0	0	0	0	0	0	0	0	0	0
	<b>3</b>	<b>2710</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>24</b>	<b>3</b>	<b>7481</b>	<b>7</b>	<b>10215</b>
AMUSEMENT PARK/SHOPPING COMPLEX-CUM-ENT. CENTRE/ WATER PARK/MULTIPLEX/ ACTIVITY CENTRE/ INTIGRATED/ROPEWAY/ CONVENTION CENTRE	0	0	0	0	0	0	0	0	0	0
	<b>35</b>	<b>35483</b>	<b>5</b>	<b>2490</b>	<b>1</b>	<b>150</b>	<b>6</b>	<b>9692</b>	<b>47</b>	<b>47815</b>
RESTAURANT	0	0	0	0	0	0	0	0	0	0
	<b>17</b>	<b>6174</b>	<b>3</b>	<b>1835</b>	<b>4</b>	<b>509</b>	<b>2</b>	<b>1805</b>	<b>26</b>	<b>10323</b>
TOURIST CARS/ COACHES	0	0	0	0	0	0	0	0	0	0
	<b>2</b>	<b>241</b>	<b>7</b>	<b>17826</b>	<b>2</b>	<b>600</b>	<b>1</b>	<b>5000</b>	<b>12</b>	<b>23667</b>
RTDC/PALACE ON WHEELS	0	0	0	0	0	0	0	0	0	0
	<b>2</b>	<b>2150</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1000</b>	<b>1</b>	<b>500</b>	<b>4</b>	<b>3650</b>
OTHERS	2	3250	0	0	0	0	0	4774	2	8024
	<b>40</b>	<b>61085</b>	<b>21</b>	<b>50950</b>	<b>3</b>	<b>5273</b>	<b>28</b>	<b>77089</b>	<b>92</b>	<b>194397</b>
<b>INFRASTRUCTURE PROJECTS</b>	0	0	0	0	0	0	0	3026	0	3026
	<b>10</b>	<b>36180</b>	<b>1</b>	<b>3000</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>17296</b>	<b>15</b>	<b>56476</b>
<b>TOTAL</b>	4	6750	0	0	0	0	0*	40149	4	46899
	<b>597</b>	<b>692278</b>	<b>93</b>	<b>127714</b>	<b>53</b>	<b>28957</b>	<b>170</b>	<b>386387</b>	<b>913</b>	<b>1235336</b>

\* New borrowers were not added as facilities sanctioned to existing borrowers under various COVID -19 schemes announced by RBI/GOI.

Normal - Current Year (2020-21)

**Highlighted - Cumulative**



# INDEPENDENT AUDITORS' REPORT

**To the Members of  
Tourism Finance Corporation of India Limited  
Report on the Standalone Financial Statements  
Opinion**

We have audited the accompanying Standalone financial statements of Tourism Finance Corporation of India Limited ("the Company"), which comprise the standalone balance sheet as at 31<sup>st</sup> March 2021, and the standalone statement of Profit and Loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw your attention to Note No. 57 to the accompanying standalone financial results, which describes the uncertainties due to outbreak of Covid-19 pandemic and the management's assessment of its impact on the business operations of the company.

Our opinion on the Standalone financial statements is not modified in respect of the above matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

S. No.	Key Audit Matter	How our audit addressed the key audit matters
1.	<p><b>Impairment of Financial Assets based on Expected Credit loss (ECL) (As described in Note 41 of the standalone Financial Statements)</b></p> <p>The determination of impairment loss against financial assets are based on the expected credit loss model developed by the company based on the guiding principles prescribed under Ind AS 109.</p> <p>Recognition and measurement of Impairment loss. allowances involve significant management judgement. These includes:</p> <ul style="list-style-type: none"> <li>• Segmentation of the loan portfolio into homogenous pool of borrowers</li> <li>• Identification of exposures where there is a significant increase in credit risk</li> <li>• Completeness and timing of recognition of default, in accordance with the prudential norms on Income Recognition, Asset classification and provisioning pertaining to loan assets</li> <li>• Determination of the 12 months and lifetime probability of default for each of the segments identified and</li> <li>• Loss given default for various exposures based on past trends/experience management estimates</li> </ul> <p>As explained in the notes to the standalone financial statements for the year ended March 31, 2021, the management has determined the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The historical loss experience model previously used needed revisions considering the sectoral experiences, current and future economic conditions and the effect of ongoing COVID-19 pandemic event on the customer's business operations / ability to pay dues.</p> <p>Based on such analysis, the company has recorded an allowance aggregating to ₹ 3185.80 Lakhs as at 31<sup>st</sup> March 2021 as included in the standalone financial statements.</p> <p>In view of the significance of the amount of loan assets in the standalone financial statements, judgement used by the management in estimating the expected credit loss and uncertainties due to the ongoing COVID-19 pandemic, we have considered allowance of credit loss as Key Audit Matter.</p>	<p>Read and assessed the Company's accounting policies for impairment of Financial assets and their Compliance with Ind AS 109 and the "Governance framework" in line with Reserve Bank of India (RBI) guidance.</p> <p>Understood the Company's Expected Credit Loss (ECL) methodology, the underlying assumptions and performed sample tests to assess the staging of outstanding exposures;</p> <p>Assessed the Exposure at Default used in the impairment calculations on a test basis;</p> <p>Obtained an understanding of the basis and methodology adopted by management to determine 12 month and life-time probability of defaults for various homogenous segments and performed test checks.</p> <p>Assessed the data used in the impairment computation;</p> <p>Understanding management revised processes regarding significant judgments and estimates involved in the impairment computation and additional management overlay provision arising from the effects of the ongoing COVID-19 pandemic, and evaluated the reasonableness thereof;</p> <p>Assessed analytical reviews of disaggregated data to observe any unusual trends warranting additional audit procedures;</p> <p>Reviewed advances including stressed advances on a sample basis with respect to compliance with the RBI Circulars/Guidelines/Judicial pronouncements.</p> <p>Read the standalone financial statement disclosures in respect of impairment losses on financial assets, including the specific disclosures made with regard to the impact of ongoing COVID-19 in line with RBI Guidelines.</p>



<p>2</p>	<p><b>Pending litigations with tax authorities</b>                  The Company operates in a complex tax environment and is required to discharge direct and indirect tax obligations under various legislations such as Income Tax Act, 1961, the Finance Act, 1994, Goods &amp; Service Tax Act.                  The tax authorities under these legislations have raised certain tax demands on the Company in respect of the past periods. The Company has disputed such demands and has appealed against them at appropriate forums. As at March 31, 2021, the Company has an amount of ₹152.12 Lakhs pertaining to various pending tax litigations.                  Under Ind AS, the Company is required to perform an assessment of the probability of economic outflow on account of such disputed tax matters and determine whether any particular obligation needs to be recorded as a provision in the books of account or to be disclosed as a contingent liability.                  Considering the significant degree of judgement applied by the management in making such assessments and the resultant impact on the standalone financial statements, we have considered it to be a key audit matter.</p>	<p>In assessing the exposure of the Company for the tax litigations, we have performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the process laid down by the management for performing their assessment taking into consideration past legal precedents, changes in laws and regulations, expert opinions obtained from external tax/legal experts (as applicable);</li> <li>• Assessed the processes and entity level controls established by the Company to ensure completeness of information with respect to tax litigations;</li> </ul> <p>we undertook the following procedures:</p> <ul style="list-style-type: none"> <li>• Read communications with relevant authorities including notices, demands, orders, etc., relevant to the pending litigations, as made available to us by the management;</li> <li>• Tested the accuracy of disputed amounts from the underlying communications received from tax authorities and responses filed by the Company;</li> <li>• Considered the submissions made to appellate authorities and expert opinions obtained by the Company from external tax / legal experts (wherever applicable) which form the basis for management's assessment;</li> <li>• Assessed the positions taken by the management in the light of the aforesaid information.</li> <li>• Read the disclosures included in the Standalone Financial Statements in this regard.</li> </ul>
<p>3</p>	<p><b>Modified Audit Procedures carried out in the light of continuing COVID-19 pandemic</b>                  Due to the continuing COVID-19 pandemic, lockdown declared by some of the State Governments and travel restrictions imposed by State Governments/Local Authorities during the period of our audit, audit could not be conducted by visiting the premises. As we could not gather audit evidence in person/ Physically and personal interaction with the officials of the company, we have identified such modified audit procedures as Key Audit Matter.                  Accordingly, our audit procedures were modified to carry out remotely.</p>	<p>As the physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the company through digital medium, emails and remote access to VPN. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.                  Accordingly, we modified our audit procedures as follows.                  Conducted verification of necessary records, Documents electronically through remote access/ emails wherever physical access was not possible.                  Carried out verification of scanned copies of the documents, certificates and the related records made available to us through emails and VPN through remote access over secure network of the company.                  Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, emails and similar communication channels.                  Discussions and resolution of audit observations telephonically/through emails instead of face-to-face interaction with the concerned/designated officials.</p>

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the company's Annual Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

**Responsibilities of Management's and those charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and





design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of subsection (11) of section 143 of the Companies Act, 2013, we give in the **Annexure-A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act

- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure-B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts to the standalone financial statements;

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **Suresh Chandra & Associates**

Chartered Accountants

Firm Reg. No: 001359N

(**CA Ved Prakash Bansal**)

Partner

M.No.: 500369

UDIN: 21500369AAAABQ1872

Place : New Delhi

Date : May 31, 2021



**Annexure- A**

The Annexure referred to in our Independent Auditors Report to the members of **Tourism Finance Corporation of India Limited** on the standalone financial statements for the year ended 31 March 2021, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular system of physical verification of its fixed assets every year. Accordingly, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties are held in the company's name.
- ii. The nature of the company's business/activities/ transactions does not require it to hold inventories. Hence, the provisions of Clause 3(ii) of the Order are not applicable to the company.
- iii. The company has not granted any loan, secured or unsecured, to the companies, firms, and limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013, Hence, the provisions of Clause, 3(iii) (a), (b) & (c) of the Order are not applicable to the Company.
- iv. There is no transaction during the year which attracts the provision of Section 185 & 186 of the companies Act, 2013.
- v. 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 73 to 76 or any other relevant provisions of the Companies Act and rules framed there under are not applicable to the Company.
- vi. According to Information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 in respect of business carried out by the company. Therefore, provisions of Clause 3(vi) of the Order are not applicable to the Company.
- vii. a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Income tax, service tax, cess and any other statutory dues as applicable to it with appropriate authorities.
- (b) According to the Information and explanations given to us, dues of Income tax, which have not been deposited on account of a dispute as at 31" March, 2021 are as follows:

Name of Statute	Assessment Year	Amount (In ₹)	Forum where the dispute Is pending
Income Tax	2008-09	1,38,51,455	DCIT, Delhi
Income Tax	2017-18	13,60,312	CIT (Appeal), Delhi

- viii The Company has not defaulted in repayment of loans or borrowings to any financial institution/bank, Government or dues of debenture holders.
- ix. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.
- x. To the best of our knowledge and according to the information and explanation given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanation given to us, the company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- xii. Since the company is not a Nidhi Company, therefore, provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanation give to us, all the transactions with the related parties entered into by the company are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details of which have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards;
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- xv. The company has not entered into any non-cash transactions with directors or persons connected with him;
- xvi. The company is registered under section 45-1A of the Reserve Bank of India Act, 1934 as NBFC-ND-SI vide Registration No.:B.14.00005 dated 08.05.2009.

For **Suresh Chandra & Associates**  
Chartered Accountants  
Firm Reg. No: 001359N

**(CA Ved Prakash Bansal)**  
Partner

Place : New Delhi  
Date : May 31, 2021

M.No.: 500369  
UDIN: 21500369AAAABQ1872



**"Anncture B" to the Independent Anditor's Report on the Standalone Financial Statements of Tourism Finance Corporation of India Ltd. Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph (g) of "Report on Other Legal and Regulatory Requirements' section**

We have audited the internal financial controls over financial reporting of Tourism Finance Corporation of India Ltd (the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2021, based on the reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note an Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing,

issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Suresh Chandra & Associates**

Chartered Accountants  
Firm Reg. No: 001359N

**(CA Ved Prakash Bansal)**

Place : New Delhi  
Date : May 31, 2021

Partner  
M.No.: 500369  
UDIN: 21500369AAAABQ1872

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021

(₹ in lakh)

Particulars	Note No.	As at 31 March 2021		As at 31 March 2020	
<b>ASSETS</b>					
<b>(1) Financial Assets</b>					
(i) Cash and cash equivalents	3	1,616.12		18,837.43	
(ii) Bank balances other than (i) above	4	201.42		223.14	
(iii) Receivables	5				
- Other Receivables		25.64		23.76	
(iv) Loans & Advances	6	1,94,391.43		1,76,188.60	
(v) Investments	7	15,876.84		21,854.41	
(vi) Other financial assets	8	1,451.26	2,13,562.71	2,167.61	2,19,294.95
<b>(2) Non-Financial Assets</b>					
(i) Current tax assets (Net)	9	1,891.98		1,792.84	
(ii) Deferred tax assets (Net)	10	717.26		704.89	
(iii) Property, Plant and Equipment	11	1,426.38		1,461.21	
(iv) Other Intangible Assets	11	1.14		-	
(v) Right of Use Assets	12	222.19		288.85	
(vi) Other non-financial assets	13	135.90	4,394.85	304.58	4,552.37
<b>(3) Assets classified as held for sale</b>					
			530.99		530.99
<b>TOTAL ASSETS</b>		<b><u>2,18,488.55</u></b>		<b><u>2,24,378.31</u></b>	
<b>LIABILITIES AND EQUITY</b>					
<b>(1) Financial Liabilities</b>					
(i) Payables	14				
- Other Payables					
--total outstanding dues of micro enterprises and small enterprises		-		-	
--total outstanding dues of creditors other than micro enterprises and small enterprises		5.71		5.71	
(ii) Debt Securities	15	78,977.68		83,938.64	
(iii) Borrowings (Other than Debt Securities)	16	56,983.73		60,756.06	
(iv) Other financial liabilities	17	3,037.09	1,39,004.21	4,078.98	1,48,779.39
<b>(2) Non-Financial Liabilities</b>					
(i) Provisions	18	238.71		170.47	
(ii) Other Non-financial liabilities	19	83.01	321.72	76.27	246.74
<b>(3) Equity</b>					
(i) Equity Share Capital	20	8,071.67		8,071.67	
(ii) Other Equity	21	71,090.95	79,162.62	67,280.51	75,352.18
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>2,18,488.55</u></b>		<b><u>2,24,378.31</u></b>	

The Notes No. 1 to 58 are integral part of these financial statements

for and on behalf of the Board

As per our report of even date  
for Suresh Chandra & Associates  
(Chartered Accountants)  
Firm Reg. No: 001359N

(Anirban Chakraborty)  
Managing Director & CEO

(S.Ravi)  
Non-Executive Chairman

(Ved Prakash Bansal)  
Partner  
M.No.500369

(Sanjay Ahuja)  
Company Secretary

(Anoop Bali)  
Executive Director & CFO

Date : May 31, 2021  
Place : New Delhi

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(₹ in lakh)

Particulars	Note No.	Year Ended 31 March 2021		Year Ended 31 March 2020	
<b>I. Revenue from Operations</b>					
(a) Interest income	22	24,760.58		24,022.53	
(b) Dividend income	23	69.69		35.70	
(c) Fees & commission income	24	730.46		1,049.09	
(d) Net gain/(loss) on fair value changes	25	284.48		532.85	
(e) Other operating income	26	-	25,845.21	635.00	26,275.17
<b>II. Other Income</b>	27		5.48		290.80
<b>III. Total Income (I + II)</b>			<b>25,850.69</b>		<b>26,565.97</b>
<b>Expenses</b>					
(a) Finance costs	28		13,011.57		12,071.55
(b) Employee benefit expenses	29		1,733.11		1,409.50
(c) Depreciation & Amortisation	30		114.86		64.32
(d) Other expenses	31		895.78		875.30
(e) Provision for bad & doubtful debts/write off/impairment of investment		4,515.80		6,800.00	
Less: Withdrawal from special reserve u/s 36(1)(viii) of I.T. Act		4,405.80	110.00	4,400.00	2,400.00
<b>IV. Total Expenses</b>			<b>15,865.32</b>		<b>16,820.67</b>
V. Profit before exceptional items and tax (III - IV)			9,985.37		9,745.30
VI. Exceptional Items			-		-
VII. Profit/(loss) before tax (V-VI)			9,985.37		9,745.30
<b>VIII. Tax expense:</b>					
(a) Current Tax		1,923.00		1,625.00	
(b) Deferred Tax		(12.37)	1,910.63	18.49	1,643.49
<b>IX. Profit/(Loss) from continuing operations (VII - VIII)</b>			8,074.74		8,101.81
X. Profit/(Loss) from discontinuing operations			-		-
XI. Tax expense of discontinuing operations			-		-
<b>XII. Profit/(Loss) from Discontinuing operations (after tax) (X-XI)</b>			-		-
<b>XIII. Profit/(Loss) for the period (IX + XII)</b>			<b>8,074.74</b>		<b>8,101.81</b>
<b>XIV. Other Comprehensive Income</b>					
(i) Items that will not be reclassified to profit or loss					
- Remeasurements of the defined benefit plans			5.62		(42.17)
Less: Deferred Tax on above			-		-
(ii) Items that will be reclassified to profit or loss					
-Gain /(Loss) on change in fair valuation of investments in equity shares/debt instrument			174.89		179.62
<b>Other Comprehensive Income</b>			<b>180.51</b>		<b>137.45</b>
<b>XV. Total Comprehensive Income for the period (XIII + XIV)</b>			<b>8,255.25</b>		<b>8,239.26</b>
<b>XVI. Earnings per equity share :</b>					
(1) Basic			10.00		10.04
(2) Diluted			10.00		10.04

The Notes No. 1 to 58 are integral part of these financial statements

for and on behalf of the Board

As per our report of even date  
for Suresh Chandra & Associates  
(Chartered Accountants)  
Firm Reg. No: 001359N

(Anirban Chakraborty)  
Managing Director & CEO

(S.Ravi)  
Non-Executive Chairman

(Ved Prakash Bansal)  
Partner  
M.No.500369

(Sanjay Ahuja)  
Company Secretary

(Anoop Bali)  
Executive Director & CFO

Date : May 31, 2021  
Place : New Delhi



STATEMENT OF CHANGES IN EQUITY

(₹ in lakh)

1 Equity Share Capital

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at Beginning of the Year	8,071.67	8,071.67
Issued During Period	-	-
Brought Back During Period	-	-
Balance at End of the Year	8,071.67	8,071.67

2 Other Equity

Particulars	Reserve & Surplus						Equity Instruments through OCI	Total as at 31 March 2021
	Retained Earnings	Capital Reserve	Securities Premium Reserve	Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	Special Reserve u/s 45IC of RBI Act, 1934	General Reserve		
<b>Balance as at 01 April 2020</b>	7,217.53	11.55	6,271.43	18,455.33	13,377.07	21,120.04	827.56	67,280.51
Profit for the Period	8,074.74	-	-	-	-	-	-	8,074.74
Other Comprehensive Income	5.62	-	-	-	-	-	174.89	180.51
<b>Total Comprehensive Income</b>	<b>15,297.89</b>	<b>11.55</b>	<b>6,271.43</b>	<b>18,455.33</b>	<b>13,377.07</b>	<b>21,120.04</b>	<b>1,002.45</b>	<b>75,535.76</b>
<b>Add: Transfer to reserve during the period</b>	-	-	-	1,833.00	1,615.00	2,200.00	-	5,648.00
<b>Add: Reclassification of Realised gain from OCI to reserves</b>	14.73	-	-	-	-	-	(14.73)	-
<b>Less: Appropriations</b>								
- Transfer to general Reserve	(2,200.00)	-	-	-	-	-	-	(2,200.00)
- Transfer to Special Reserve under Section 36(1)(viii) of the Income Tax Act 1961	(1,833.00)	-	-	-	-	-	-	(1,833.00)
- Provision Under Section 45 IC of RBI Act, 1934	(1,615.00)	-	-	-	-	-	-	(1,615.00)
- Payment of Dividend (incl tax thereon)	-	-	-	-	-	-	-	-
- Provision u/s 36(1)(viii)(c) of the Income Tax Act 1961	-	-	-	-	-	-	-	-
<b>Less: Adjustments / withdrawal</b>								
- Amortisation of transaction cost of bonds	-	-	(39.01)	-	-	-	-	(39.01)
- Utilised/Withdrawn from Reserve u/s 36(1)(viii)	-	-	-	(4,405.80)	-	-	-	(4,405.80)
<b>Balance as at 31 March 2021</b>	<b>9,664.62</b>	<b>11.55</b>	<b>6,232.42</b>	<b>15,882.53</b>	<b>14,992.07</b>	<b>23,320.04</b>	<b>987.72</b>	<b>71,090.95</b>

Particulars	Reserve & Surplus						Equity Instruments through OCI	Total as at 31 March 2020
	Retained Earnings	Capital Reserve	Securities Premium Reserve	Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	Special Reserve u/s 45IC of RBI Act, 1934	General Reserve		
<b>Balance as at 01 April 2019</b>	7,262.68	11.55	6,308.94	20,605.33	11,756.07	18,920.04	754.93	65,619.54
Profit for the year	8,101.81	-	-	-	-	-	-	8,101.81
Other Comprehensive Income	(42.17)	-	-	-	-	-	179.62	137.45
<b>Total Comprehensive Income for the year</b>	<b>15,322.32</b>	<b>11.55</b>	<b>6,308.94</b>	<b>20,605.33</b>	<b>11,756.07</b>	<b>18,920.04</b>	<b>934.55</b>	<b>73,858.80</b>
<b>Add: Transfer to reserve during the period</b>	-	-	-	2,250.00	1,621.00	2,200.00	-	6,071.00
<b>Add: Reclassification of Realised gain from OCI to reserves</b>	106.99	-	-	-	-	-	(106.99)	-
<b>Less: Appropriations</b>								
- Transfer to general Reserve	(2,200.00)	-	-	-	-	-	-	(2,200.00)
- Transfer to Special Reserve under Section 36(1)(viii) of the Income Tax Act 1961	(2,250.00)	-	-	-	-	-	-	(2,250.00)
- Provision Under Section 45 IC of RBI Act, 1934	(1,621.00)	-	-	-	-	-	-	(1,621.00)
- Payment of Dividend (incl tax thereon)	(2,140.78)	-	-	-	-	-	-	(2,140.78)
- Provision u/s 36(1)(viii)(c) of the Income Tax Act 1961	-	-	-	-	-	-	-	-
<b>Less: Adjustments / withdrawal</b>								
- Amortisation of transaction cost of bonds	-	-	(37.51)	-	-	-	-	(37.51)
- Utilised/Withdrawn from Reserve u/s 36(1)(viii)	-	-	-	(4,400.00)	-	-	-	(4,400.00)
<b>Balance as at 31 March 2020</b>	<b>7,217.53</b>	<b>11.55</b>	<b>6,271.43</b>	<b>18,455.33</b>	<b>13,377.07</b>	<b>21,120.04</b>	<b>827.56</b>	<b>67,280.51</b>

for and on behalf of the Board

As per our report of even date for Suresh Chandra & Associates (Chartered Accountants) Firm Reg. No: 001359N (Ved Prakash Bansal) Partner (Sanjay Ahuja) M.No.500369 Date : May 31, 2021 Place : New Delhi

(Anirban Chakraborty) Managing Director & CEO

(Anoop Bali) Company Secretary

(S.Ravi) Non-Executive Chairman

Executive Director & CFO



CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(₹ in lakh)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	9,985.37	9,745.30
<b>Adjustment for :</b>		
Gain/(Loss) under OCI Section	180.51	137.45
Depreciation & Amortisation	114.86	64.32
Finance Cost on Lease Liability on Right to Use Assets	23.36	8.73
<b>Operating Cash before working capital changes</b>	<b>10,304.10</b>	<b>9,955.80</b>
<b>Adjustment for :</b>		
Decrease/(Increase) in Loans & Advances	(18,202.79)	(11,518.45)
Loan Write-off by Utilisation of Reserve u/s 36(1)(viii) of Income Tax Act	(4,405.80)	(4,400.00)
Decrease/(Increase) in Investments	5,977.57	9,952.76
Decrease/(Increase) in Receivables	(1.88)	(14.54)
Decrease/(Increase) in Other Financial Assets	716.35	475.61
Decrease/(Increase) in Other Non-Financial Assets	218.76	(35.45)
Increase/(Decrease) in Payables	-	312.25
Increase/(Decrease) in Debt Securities	(4,999.97)	-
Increase/(Decrease) in Borrowings	(3,772.33)	22,296.14
Increase/(Decrease) in Subordinate Liabilities	-	(9,999.92)
Increase/(Decrease) in Other Financial Liabilities	(1,020.19)	657.44
Increase/(Decrease) in Provisions	68.24	13.76
Increase/(Decrease) in Other Non-Financial Liabilities	6.74	15.48
<b>Cash Generated from Operation</b>	<b>(15,111.20)</b>	<b>17,710.88</b>
Direct Tax Paid	(2,022.15)	(1,587.25)
<b>Net Cash Flow from Operating Activities</b>	<b>(17,133.35)</b>	<b>16,123.63</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(14.51)	(62.74)
<b>Net Cash used in Investing Activities</b>	<b>(14.51)</b>	<b>(62.74)</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Payment of Dividend and Dividend Distribution Tax	-	(2,140.78)
Payment of Lease Liability on Right to Use Assets	(73.45)	(41.49)
<b>Net Cash used in Financing Activities</b>	<b>(73.45)</b>	<b>(2,182.27)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(17,221.31)	13,878.62
Cash and Cash Equivalent at the Beginning of the Year	18,837.43	4,958.81
Cash and Cash Equivalent at the End of the Year	<b>1,616.12</b>	<b>18,837.43</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash in hand	0.26	0.31
Balance with Banks		
- Current Accounts	83.40	380.70
- Deposit Accounts (Bank Deposits & CD)	1,532.46	18,456.42
<b>Total Cash and Cash Equivalents (Note No. 3)</b>	<b>1,616.12</b>	<b>18,837.43</b>

As per our report of even date  
for Suresh Chandra & Associates  
(Chartered Accountants)  
Firm Reg. No: 001359N

(Anirban Chakraborty)  
Managing Director & CEO

(S.Ravi)  
Non-Executive Chairman

(Ved Prakash Bansal)  
Partner  
M.No.500369

(Sanjay Ahuja)  
Company Secretary

(Anoop Bali)  
Executive Director & CFO

Date : May 31, 2021  
Place : New Delhi

**NOTES FORMING PART OF FINANCIAL STATEMENTS****Financial Statements for Year Ended 31 March 2021****1 Corporate Information**

Tourism Finance Corporation of India Ltd.(TFCI) has been set-up as an All-India Financial Institution, pursuant to the recommendations of “National Committee on Tourism” set-up under the aegis of Planning Commission in 1988. TFCI provides financial assistance by way of rupee term loan, corporate loan and subscription to debentures/equity mainly to tourism sector comprising hotels, resorts, restaurants, food courts, amusement parks, ropeways, multiplexes, etc. and in a limited way to other sectors such as infrastructure, manufacturing, real-estate etc., within the scope of its activities.

**2. Significant Accounting Policies****2.1 Functional and Presentation Currency**

These financial statements are presented in Indian Rupees, the national currency of India, which is the functional currency of the Company.

**2.2 Basis of adoption of Financial Statements**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) notified under Companies (Indian Accounting Standards) Rules, 2015 and as amended further. The Financial Statements are prepared under historical cost convention from the books of accounts maintained on accrual basis except for certain financial instruments (refer note 2.11) which are measured at fair value. Further, the Company continues to follow the Reserve Bank of India (RBI) Directions issued for Non-Banking Financial Companies (NBFC) with respect to preparation & presentation of accounts. Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised Ind AS on an ongoing basis.

**2.3 Use of Estimation, Assumption and Judgement**

The key assumption, judgement and estimation at the reporting date, that have significant risk, causing the material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumption, judgement and estimation on parameters available on the date when financial statement were prepared. Existing circumstances and assumption about future development, however, may change due to the

market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumption when they occur. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

**2.4 Exceptions****Derecognition of financial assets and liabilities**

The Company has applied Para B2, which permit first-time adopter to apply de-recognition requirements in Ind-AS 109 prospectively for transactions occurring on or after the date of transition to Ind-AS.

**Classification & measurement of financial assets:**

The Company has followed classification and measurement of financial assets in accordance with Ind-AS 109 and classification of Financial Instruments have been made on the basis of facts and circumstances that existed at the date of transition to Ind-AS.

**Estimates**

The Company made estimates for following items in accordance with Ind-AS:

- Investment in equity instruments carried at FVTPL or FVTOCI;
- Investment in debt instruments carried at FVTPL; and
- Impairment of financial assets based on expected credit loss model

**2.5 Cost for Property, Plant & Equipment and Intangible Assets**

The company has availed exemption under para D7AA of appendix D to Ind-AS 101 which permits a first time adopter to continue with the carrying values for its PPE and intangible assets as at date of transition to Ind-AS measured as per previous IGAAP.

The cost of an item of **Property, Plant & Equipment**, comprises its purchase price, including import duties and non-refundable taxes after deducting trade discounts/rebates and including any directly attributable expenditure to bring the PPE to the location and making it ready for its intended use. Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the items will flow to the entity and the cost of the item can be reliably measured. Gains or losses arising from de-recognition of



items of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized. Major repairs and/or renovation expenditure are capitalized under Ind AS-16 as replacement costs.

An **Intangible Asset** is recognized where it is probable that the future economic benefits attributable to the asset will flow to the company. Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. These assets are amortized on the basis of Straight Line Method over a period of 10 years or its useful life, whichever is lower

## 2.6 Revenue Recognition

For recognition of revenue, the Company adopts the accrual basis except where there is uncertainty as to collection. Revenue is measured at fair value of the consideration received or receivable. Interest income is recognized on a time proportion basis, using the effective interest rate method (EIR) except in case of income on 'Non-Performing Assets' which is recognized on realization basis.

Dividend Income is recognized on right to receive basis. Consultancy 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 lessee.

## 2.7 Depreciation

The depreciable amount of an item of PPE is allocated on a straight line basis over its useful life as prescribed under Schedule II to the Companies Act, 2013.

Each part of an item of PPE with a cost that is significant in relation to the total cost of the asset and useful life of that part is different from remaining part of the asset; such significant part is depreciated separately.

Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from the month of such addition or as the case may be up to the month in which such PPE is sold, discarded, demolished or destroyed.

## 2.8 Assets held for Sale

Non-current assets or disposal groups comprising

of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met:

- Decision has been made to sell,
- The assets are available for sale in its present condition,
- The assets are being actively marketed, and
- Sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortized.

## 2.9 Impairment - PPE and Intangible Assets

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recoverable amount is the higher of fair value less costs of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

At the end of each reporting year, the company reviews the carrying amounts of its tangible, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

## 2.10 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties.

Investment properties are measured initially at cost, including transaction costs. After initial recognition, the company measures investment



property at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties to be depreciated in accordance to the class of asset that it belongs and the life of the asset shall be as conceived for the same class of asset by the Company.

Though investment property is measured using cost model, the fair value of investment property is disclosed in the notes to accounts.

## 2.11 Financial instruments

### 2.11.1 Financial Assets

The Company shall classify financial assets measured at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through Statement of Profit and Loss(FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument and are initially recognised at fair value and directly attributable transaction costs towards acquisition or issue of the financial asset are added to or deducted from the fair value on initial recognition except for financial assets which are recognised at fair value through profit and loss.

For the purposes of subsequent measurement financial assets are classified in the following categories:

- Amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest
- Fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and/or interest but also from the sale of such assets.
- Fair value through profit or loss (FVTPL), where the financial assets are not classified either at amortized cost or FVTOCI.

Financial Assets include Investments in equity/preference share, Bonds/

debentures or Security receipts, Loans, Security Deposits, Cash & cash equivalents etc.

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired.

In case of short-term financial assets, carrying value is considered to be its fair value.

### 2.11.2 Impairment

The Company as permitted by Ind-AS 101, has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk as at the year end.

The Company at each reporting year end tests a financial asset or a group of financial assets (other than financial assets held at fair value through profit or loss) for impairment based on evidence or information that is available without undue cost or effort. Expected credit loss (ECL) is assessed and impairment loss recognized if the credit risk of the financial asset is significantly increased.

The impairment losses and reversals are recognized in statement of profit and loss.

Impairment model under Ind AS-109 applies to financial instruments as listed below:

- Financial assets that are debt instruments measured at Amortized Cost (AC)
- Equity investments are measured at Fair Value Through Other Comprehensive Income (FVTOCI)
- Loan commitments not measured at FVTPL (Fair Value Through Profit and Loss)
- Financial guarantee contracts issued in the scope of Ind AS 109 not measured at FVTPL
- Lease receivables in the scope of Ind AS 17.

However, investments in equity shares and financial instruments measured at FVTPL are out of the scope of ECL.



The Company shall at each reporting year test loans given to companies for impairment as per Ind AS- 109 and Impairment Loss/ECL if any shall be charged to Profit & Loss Account. The company can however utilize the provision made under section 36(i)(viii) to write off/ provide for impairment loss. All credit exposures in tourism & non-tourism segments based on the nature of substantive security shall be grouped into 3 categories namely Stage-1, Stage-2 & Stage-3 exposures as enumerated below:

Loan Category (As per Ind-AS 109)	Category	Description of category	Basis for recognition of expected credit loss provision on Category of Loan
Stage 1	Standard Assets (with no overdue or default upto 30 days)	Assets where there has been no significant increase in credit risk since initial recognition.	Stage 1 ECL
Stage 2	-Standard Assets (with overdue between 31 days to 90 days)	Assets where there has been a significant increase in credit risk since initial recognition	12 months ECL
Stage 3	-Non-Performing Assets - Non Performing Restructured Assets	Impaired Asset with increased credit risk	Lifetime ECL

Wherever relaxations in contractual terms have been granted pursuant to regulatory guidelines, such amendment in terms of original sanction would be outside the scope of restructuring.

ECL shall be calculated based on past ten years' data as follows:

$$ECL = \text{Exposure at Default at various stages (EAD)} \times \text{Probability of Default (PD)} \times \text{Loss given Default (LGD)}$$

All credit exposure shall also be classified into performing and non-performing assets as per RBI guidelines

applicable to Non-Banking Financial Companies (NBFCs). The company shall also compute general provision for standard asset and specific provision for sub-standard, doubtful & loss assets as per applicable guidelines and compared the same with Impairment Loss/ECL as per Ind-AS. In case, Impairment Loss is lower than provisions required as per RBI guidelines then difference shall be appropriated from PAT to a separate Impairment Reserve, which shall not be reckoned for regulatory capital.

### 2.11.3 Derecognition

Financial assets are derecognized when the contractual right to receive cash flows from the financial assets expires, or transfers the contractual rights to receive the cash flows from the asset. However, the company can also derecognize the asset in case the management feels that the chances of recovery are fairly remote.

### 2.11.4 Financial Liability

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

The subsequent measurement of financial liabilities depends on their classification, as described below:

Amortized costs, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

- Fair value through statement of Profit and loss, include financial liabilities held for trading and



financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

The carrying value of financial liability is considered to be its fair value in case of Short Term.

## 2.12 Employee Benefits

### 2.12.1 Defined Contribution Plan

#### Employees Provident Fund:

In terms of the Employees Provident and Miscellaneous Provisions Act, 1952, TFCI contributes at the rate of 12% of PF applicable salary (consisting basic salary, dearness allowance & other retaining allowances) payable to each employee covered under the scheme. An equal & matching contribution is payable by each employee. Both employer & employees contributions are deposited with EPFO within the prescribed time period on monthly basis. The entire employer contribution deposited with EPFO is recognized in the financial statement as Employees Benefit Expenses.

### 2.12.2 Defined Benefit Plan

#### Gratuity:

TFCI's gratuity policy provides for 15 days salary for each completed year or part thereof in excess of six months on separation of any employee from TFCI, on retirement or otherwise, after completion of 5 years of continuous services. However, in case of completion of minimum service of 10 years, the gratuity shall be payable @one month salary for each completed year or part thereof in excess of six months limited to maximum ₹ 20.00 lakh or maximum amount provided under the Payment of Gratuity Act whichever is higher. Further, in case of employment for more than 20 years in TFCI, in addition to above, gratuity shall also be admissible to a sum equal to half month's salary in respect of each year of service or part thereof in excess of six months of service over & above 20 years. As per actuarial valuation, the expense has been recognized in the

financial statement as Employees Benefit Expenses.

#### Leave Encashment:

TFCI's policy provides for accrual of 1 day of ordinary leave for each 11 days of duty rendered by him/her subject to accumulation of maximum 300 days (ten months). No further ordinary leave can be earned by an employee after he/she has credit of maximum number of the leave. TFCI's ordinary leave policy also provides for encashment of 15 days of such leave in year which is fully taxable. As per actuarial valuation, the expense has been recognized in the financial statement as Employees Benefit Expenses.

Gains/losses due to actuarial revaluation have been shown as other comprehensive income.

## 2.13 Taxation

Tax expense for the period comprises current tax and deferred tax. Tax recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case the tax is also recognised in other comprehensive income or equity.

### 2.13.1 Current Tax

Current tax is the expected tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provision of the Income Tax Act, 1961 and the other applicable tax laws.

### 2.13.2 Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purpose, at the end of the year.

## 2.14 Lease

In compliance with Ind AS-116 effective from 1<sup>st</sup> April 2019 as notified by MCA, the Company assesses at the time of contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right of use of an identified asset for a period of time in exchange for consideration, the same is considered as lease.



### 2.14.1 Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets which are charged to Profit on straight line basis. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

#### (ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### (iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. The underlying asset is considered of low value if the lessee can benefit from use of the asset on its own or together with other available resources and the underlying asset is not highly dependent on, or highly inter-related with, other assets. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

### 2.14.2 Company as a lessor

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership of the Company is classified as a finance lease.



Lease income from operating leases is recognized in income on a straight-line basis over the lease term of relevant lease.

## 2.15 Cash and cash equivalents

Cash comprises of cash on hand, demand deposits with banks. The Company considers cash equivalents as all short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

## 2.16 Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

## 2.17 Provisions, Contingent Liabilities and Contingent Assets

### 2.17.1 Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are determined

based on the best estimate required to settle the obligation at the Balance Sheet date.

### 2.17.2 Contingent Liabilities

Contingent liabilities are not recognized but disclosed in Notes when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company. Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable, then relative provision is recognized in the financial statements.

### 2.17.3 Contingent Assets

Contingent Assets are not recognized but disclosed in Notes which usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits.

Contingent assets are assessed continuously to determine whether inflow of economic benefits becomes virtually certain, then such assets and the relative income will be recognized in the financial statement.

## 2.18 Earnings 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.





## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	As At March 31, 2021		As At March 31, 2020	
<b>3</b>	<b>Cash and Cash Equivalents</b>				
	Cash in hand		0.26		0.31
	Balances with Banks				
	- Current Accounts		83.40		380.70
	- Term Deposits		1,532.46		18,456.42
	<b>TOTAL</b>		<b>1,616.12</b>		<b>18,837.43</b>
<b>4</b>	<b>Bank balances other than (I) above</b>				
	Balance in unclaimed dividend accounts		201.42		223.14
	<b>TOTAL</b>		<b>201.42</b>		<b>223.14</b>
<b>5</b>	<b>Receivables</b>				
	Other Receivables (in cash or kind)		25.64		23.76
	<b>TOTAL</b>		<b>25.64</b>		<b>23.76</b>
<b>6</b>	<b>Loans &amp; Advances</b>	<b>As at 31 March 2021</b>		<b>As at 31 March 2020</b>	
	<b>I. Secured (Considered Good)</b>				
	(Secured by Mortgage/Hypothecation of Assets)				
	(a) Loan to Companies/LLP.	1,97,664.24		1,79,354.14	
	Less: unamortised Upfront fee received	(292.84)	1,97,371.40	(374.09)	1,78,980.05
	(b) Loan to Employees	309.83		403.33	
	Less: Deferred Employee Benefit Cost	(106.31)	203.52	(159.50)	243.83
	<b>II. Unsecured (Considered Good)</b>				
	(a) Loan to Employees		2.31		40.52
	<b>III. Gross Loans &amp; Advances (I + II)</b>		<b>1,97,577.23</b>		<b>1,79,264.40</b>
	<b>IV. Impairment loss allowance (Expected Credit Loss)</b>				
	- On standard loans (Stage 1 & Stage 2)	1,850.80		1,483.80	
	- On Sub-standard/ Doubtful loans (Stage 3)	1,335.00	3,185.80	1,592.00	3,075.80
	<b>V. Net Loans &amp; Advances (III - IV)</b>		<b>1,94,391.43</b>		<b>1,76,188.60</b>
	<b>Breakup of Gross Loans &amp; Advances (at III above)</b>				
	Loans Within India				
	- Public Sector		-		-
	- Others		1,97,577.23		1,79,264.40
	Less: Impairment loss allowance (as per IV above)		3,185.80		3,075.80
	Total - Net (as per V above)		1,94,391.43		1,76,188.60



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

	Investments	Face Value	As at 31 March 2021					As at 31 March 2020						
			No's	Amortised Cost	At Fair Value		Cost	Total	No's	Amortised Cost	At Fair Value		Cost	Total
					Through OCI	Through P/L					Through OCI	Through P/L		
<b>7</b>	<b>Investments</b>													
	<b>I. Debt securities:-</b>													
	<b>a) Investment in bonds/debentures (measured at amortised cost)</b>													
	8.76% IFCI Ltd - Tax Fee Bonds - Series I	10,00,000	265	2,650.27	-	-	2,650.27	500	5,000.50	-	-	-	5,000.50	
	9.40% IFCI Ltd - Bonds (NCD) - Series III	1,000	150000	1,500.00	-	-	1,500.00	150000	1,500.00	-	-	-	1,500.00	
	10.49% Bank of Baroda (Vijaya Bank) Series(IV) Perpetual Bonds	10,00,000	250	2,527.61	-	-	2,527.61	250	2,527.61	-	-	-	2,527.61	
	11.25% Canara Bank (Syndicate Bank) Perpetual Bonds	10,00,000	250	2,594.04	-	-	2,594.04	250	2,594.04	-	-	-	2,594.04	
	10.99% Union Bank of India (Andhra Bank) Series(III) Perpetual Bonds	10,00,000	-	-	-	-	-	200	2,054.86	-	-	-	2,054.86	
	10.00% Cox & Kings Ltd	10,00,000	500	-	-	-	-	500	1,650.00	-	-	-	1,650.00	
	<b>b) Investment in mutual funds (measured at fair value through P&amp;L)</b>													
	Debt Oriented Mutual Funds	-	-	-	-	-	-	-	-	-	62.00	-	62.00	
	<b>Sub total-I</b>			<b>9,271.92</b>	<b>-</b>	<b>-</b>	<b>9,271.92</b>		<b>15,327.01</b>	<b>-</b>	<b>62.00</b>	<b>-</b>	<b>15,389.01</b>	
	<b>II. Equity &amp; Preference shares:-</b>													
	<b>a) Investment in Equity instruments (measured at fair value through OCI)</b>													
	Cross Country Hotels Ltd.	10	250000	-	24.63	-	24.63	250000	-	24.63	-	-	24.63	
	Assets Care & Reconstruction Enterprise Ltd.	10	2856000	-	473.28	-	473.28	2856000	-	473.28	-	-	473.28	
	Shell Inn International Pvt. Limited	10	6532293	-	653.23	-	653.23	6741064	-	674.11	-	-	674.11	
	<b>b) Investment in Equity instruments (measured at fair value through P&amp;L)</b>													
	Viceroy Hotels Ltd.	10	200000	-	-	200.00	200.00	200000	-	-	200.00	-	200.00	
	Punjab Woolcombers Ltd.	10	2500	-	-	0.22	0.22	2500	-	-	0.22	-	0.22	
	<b>c) Investment in Subsidiary (measured at cost)</b>													
	TFCI Capital Ltd (100% Subsidiary)	10	50000	-	-	5.00	5.00	50000	-	-	-	5.00	5.00	
	<b>Subtotal-II</b>			<b>-</b>	<b>1,151.14</b>	<b>200.22</b>	<b>5.00</b>	<b>1,356.36</b>		<b>-</b>	<b>1,172.02</b>	<b>200.22</b>	<b>5.00</b>	<b>1,377.24</b>
	<b>III. Other approved securities:-</b>													
	<b>a) Investment in Security Receipts (measured at fair value through P&amp;L)</b>													
	Assets Care & Reconstruction Enterprise Ltd 2014-15 - V - Trust Security Receipts (In case of Loan of Kamath Hotels Ltd)	1,00,000	2393	-	-	2,393.00	2,393.00	2393	-	-	2,393.00	-	2,393.00	
	Assets Care & Reconstruction Enterprise Ltd- 93 Trust (in case of assigned loan of Adlabs Entertainment Ltd)	1	348733268	-	-	3,487.33	3,487.33	349027521	-	-	3,490.27	-	3,490.27	
	<b>Subtotal-III</b>			<b>-</b>	<b>-</b>	<b>5,880.33</b>	<b>5,880.33</b>		<b>-</b>	<b>-</b>	<b>5,883.27</b>	<b>-</b>	<b>5,883.27</b>	



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

	Investments	Face Value	As at 31 March 2021					As at 31 March 2020						
			No's	Amortised Cost	At Fair Value		Cost	Total	No's	Amortised Cost	At Fair Value		Cost	Total
					Through OCI	Through P/L					Through OCI	Through P/L		
	<b>Gross Investments (Subtotal I+II+III).... (A)</b>		9,271.92	1,151.14	6,080.55	5.00	16,508.61		15,327.01	1,172.02	6,145.49	5.00	22,649.52	
	(i) Investment outside India		-	-	-	-	-		-	-	-	-	-	
	(ii) Investment in India		9,271.92	1,151.14	6,080.55	5.00	16,508.61		15,327.01	1,172.02	6,145.49	5.00	22,649.52	
	<b>Total</b>		<b>9,271.92</b>	<b>1,151.14</b>	<b>6,080.55</b>	<b>5.00</b>	<b>16,508.61</b>		<b>15,327.01</b>	<b>1,172.02</b>	<b>6,145.49</b>	<b>5.00</b>	<b>22,649.52</b>	
	<b>Add: Appreciation in value of investments:-</b>													
	Assets Care & Reconstruction Enterprise Ltd.		-	622.57	-	-	622.57		-	352.96	-	-	352.96	
	Shell Inn International Limited.		-	365.15	-	-	365.15		-	474.57	-	-	474.57	
	Debt Oriented Mutual Funds		-	-	-	-	-		-	-	0.23	-	0.23	
	<b>Sub total (B)</b>		-	<b>987.72</b>	-	-	<b>987.72</b>		-	<b>827.53</b>	<b>0.23</b>	-	<b>827.76</b>	
	<b>Less: Allowance for Impairment loss</b>													
	Cross Country Hotels Ltd.		-	24.62	-	-	24.62		-	24.62	-	-	24.62	
	Assets Care & Reconstruction Enterprise Ltd 2014-15 - V - Trust Security Receipts		-	-	358.95	-	358.95		-	-	358.95	-	358.95	
	Assets Care & Reconstruction Enterprise Ltd- 93 Trust		-	-	1,039.92	-	1,039.92		-	-	1,040.80	-	1,040.80	
	Viceroy Hotels Ltd.		-	-	195.78	-	195.78		-	-	198.28	-	198.28	
	Punjab Woolcombers Ltd.		-	-	0.22	-	0.22		-	-	0.22	-	0.22	
	<b>Sub total (C)</b>		-	<b>24.62</b>	<b>1,594.87</b>	-	<b>1,619.49</b>		-	<b>24.62</b>	<b>1,598.25</b>	-	<b>1,622.87</b>	
	<b>Total Investment - Net (A+B-C)</b>		<b>9,271.92</b>	<b>2,114.24</b>	<b>4,485.68</b>	<b>5.00</b>	<b>15,876.84</b>		<b>15,327.01</b>	<b>1,974.93</b>	<b>4,547.47</b>	<b>5.00</b>	<b>21,854.41</b>	

Note1: - Fair value of unquoted equity investment in Assets Care & Reconstruction Enterprise Ltd is based on its last published book value discounted @15%.

Note2:- Fair value of project related unquoted equity investment in Shell Inn International Limited is based on DSV of fixed assets net of outstanding debt discounted @15%.

Note3: - Investment in NCD of Cox & Kings Ltd is Net of Write-off of ₹ 5,000.00 Lakh



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	As at 31 March 2021		As at 31 March 2020	
<b>8</b>	<b>Other Financial Assets</b>				
	Interest accrued on investment		220.20		377.92
	Interest & Other Charges accrued and due on loans and advances		364.75		746.93
	Interest accrued but not due on loans and advances	1,086.48		996.73	
	Less: Liability towards Interest-on-Interest during Moratorium period	268.26	818.22	-	996.73
	Legal Charges Recoverable		18.39		17.45
	Security Deposits	38.17		38.17	
	Less:- Fair value adjustment	(8.47)	29.70	(9.59)	28.58
	<b>TOTAL</b>		<b>1,451.26</b>		<b>2,167.61</b>
<b>9</b>	<b>Current Tax Assets (Net)</b>				
	Advance Income Tax & TDS (Net of Provision for Taxation)		1,891.98		1,792.84
	<b>TOTAL</b>		<b>1,891.98</b>		<b>1,792.84</b>
	<b>Yearwise details of Current Tax Assets</b>				
	Advance Tax & TDS				
	- F.Y. 1994-95		609.04		609.04
	- F.Y. 1995-96		934.32		934.32
	- F.Y. 1996-97		761.17		761.17
	- F.Y. 1997-98		655.12		655.12
	- F.Y. 1998-99		432.18		432.18
	- F.Y. 1999-00		454.88		454.88
	- F.Y. 2000-01		522.97		522.97
	- F.Y. 2001-02		237.85		237.85
	- F.Y. 2002-03		542.76		542.76
	- F.Y. 2003-04		285.32		285.32
	- F.Y. 2004-05		394.35		394.35
	- F.Y. 2005-06		87.88		87.88
	- F.Y. 2006-07		188.18		188.18
	- F.Y. 2007-08		893.05		893.05
	- F.Y. 2008-09		1,256.90		1,256.90
	- F.Y. 2009-10		1,051.56		1,051.56
	- F.Y. 2010-11		1,969.78		1,969.78
	- F.Y. 2011-12		1,232.80		1,232.80
	- F.Y. 2012-13		1,872.73		1,872.73
	- F.Y. 2013-14		2,392.89		2,392.89
	- F.Y. 2014-15		2,033.01		2,033.01
	- F.Y. 2015-16		2,080.48		2,080.48
	- F.Y. 2016-17		2,451.72		2,451.72
	- F.Y. 2017-18		2,645.26		2,645.26
	- F.Y. 2018-19		2,553.67		2,553.67
	- F.Y. 2019-20		2,057.07		2,057.07
	- F.Y. 2020-21		2,022.14		-
	Less: Provison for Taxation				
	- F.Y. 1994-95		(644.62)		(644.62)
	- F.Y. 1995-96		(767.27)		(767.27)
	- F.Y. 1996-97		(520.96)		(520.96)
	- F.Y. 1997-98		(668.44)		(668.44)
	- F.Y. 1998-99		(252.74)		(252.74)



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	As at 31 March 2021		As at 31 March 2020	
	- F.Y. 1999-00		(509.40)		(509.40)
	- F.Y. 2000-01		(301.48)		(301.48)
	- F.Y. 2001-02		(134.27)		(134.27)
	- F.Y. 2002-03		(215.66)		(215.66)
	- F.Y. 2003-04		(358.49)		(358.49)
	- F.Y. 2004-05		(121.67)		(121.67)
	- F.Y. 2005-06		(201.93)		(201.93)
	- F.Y. 2006-07		(342.00)		(342.00)
	- F.Y. 2007-08		(822.25)		(822.25)
	- F.Y. 2008-09		(1,244.93)		(1,244.93)
	- F.Y. 2009-10		(1,449.49)		(1,449.49)
	- F.Y. 2010-11		(1,701.00)		(1,701.00)
	- F.Y. 2011-12		(1,235.00)		(1,235.00)
	- F.Y. 2012-13		(1,887.00)		(1,887.00)
	- F.Y. 2013-14		(2,381.50)		(2,381.50)
	- F.Y. 2014-15		(1,870.00)		(1,870.00)
	- F.Y. 2015-16		(1,807.00)		(1,807.00)
	- F.Y. 2016-17		(2,622.00)		(2,622.00)
	- F.Y. 2017-18		(2,670.00)		(2,670.00)
	- F.Y. 2018-19		(2,450.00)		(2,450.00)
	- F.Y. 2019-20		(1,625.00)		(1,625.00)
	- F.Y. 2020-21		(1,923.00)		-
	<b>Total (Net)</b>		<b>1,891.98</b>		<b>1,792.84</b>
<b>10</b>	<b>Deferred Tax Assets/Liability (Net)</b>				
	<b>Deferred Tax Assets</b>				
	a) Allowance for doubtful debts and advances		624.64		614.00
	b) Allowance for diminution in value of investments		317.52		323.92
	<b>Deferred Tax Liabilities</b>				
	a) Depreciation		(224.90)		(233.03)
	<b>TOTAL</b>		<b>717.26</b>		<b>704.89</b>

Note No.

11 Property, Plant and Equipment as at 31 March 2021

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Gross Carrying Value as at 01/04/2020	Addi-tion	Disposal / Adjustments	Gross Carrying Value as at 31/03/2021	As at 01/04/2020	Addition for the Period	Disposal / Adjustments	As at 31/03/2021	Net Carry-ing Value as at 31/03/2021
Tangible									
Building (NBCC Plaza)	1,457.32	-		1,457.32	79.38	26.49		105.87	1,351.45
Furniture & Fixtures	30.96	-		30.96	16.98	1.02		18.00	12.96
Office Equipment	37.13	0.13		37.26	4.11	6.38		10.49	26.77
Electricals	28.08	0.22		28.30	18.16	2.49		20.65	7.65
Computers	27.24	12.96		40.20	8.42	9.20		17.62	22.58
Vehicles	15.19	-		15.19	7.66	2.56		10.22	4.97
<b>Total.....A</b>	<b>1,595.92</b>	<b>13.31</b>	<b>-</b>	<b>1,609.23</b>	<b>134.71</b>	<b>48.14</b>	<b>-</b>	<b>182.85</b>	<b>1,426.38</b>
Intangible									
Computer Software	-	1.20		1.20	-	0.06		0.06	1.14
<b>Total.....B</b>	<b>-</b>	<b>1.20</b>	<b>-</b>	<b>1.20</b>	<b>-</b>	<b>0.06</b>	<b>-</b>	<b>0.06</b>	<b>1.14</b>
<b>Grand Total..(A+B)</b>	<b>1,595.92</b>	<b>14.51</b>	<b>-</b>	<b>1,610.43</b>	<b>134.71</b>	<b>48.20</b>	<b>-</b>	<b>182.91</b>	<b>1,427.52</b>



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

As At March 31, 2020									
Particulars	Gross Block			Gross Carry- ing Value as at 31/03/2020	Accumulated Depreciation				Net Block
	Gross Carry- ing Value as at 01/04/2019	Addi- tion	Disposal/ Adjustments		As at 01/04/2019	Addition for the Period	Disposal/ Adjustments	As at 31/03/2020	Net Carry- ing Value as at 31/03/2020
Building (NBCC Plaza)	1,457.32	-		1,457.32	52.89	26.49		79.38	1,377.94
Furniture & Fixture	23.22	7.74		30.96	16.23	0.75		16.98	13.98
Office Equipment	4.77	32.36		37.13	1.24	2.87		4.11	33.02
Electricals	22.12	5.96		28.08	16.77	1.39		18.16	9.92
Computers	10.56	16.68		27.24	5.92	2.50		8.42	18.82
Vehicles	15.19	-		15.19	5.11	2.55		7.66	7.53
<b>Total.....A</b>	<b>1,533.18</b>	<b>62.74</b>	<b>-</b>	<b>1,595.92</b>	<b>98.16</b>	<b>36.55</b>	<b>-</b>	<b>134.71</b>	<b>1,461.21</b>
Intangible									
<b>Total.....B</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total..(A+B)</b>	<b>1,533.18</b>	<b>62.74</b>	<b>-</b>	<b>1,595.92</b>	<b>98.16</b>	<b>36.55</b>	<b>-</b>	<b>134.71</b>	<b>1,461.21</b>

Note No.	Particulars	As At 31 March 2021		As At 31 March 2020	
<b>12</b>	<b>Right to use assets</b>				
	Assets Acquired on Lease		316.62		316.62
	Less: Accumulated Depreciation		(94.43)		(27.77)
	<b>TOTAL</b>		<b>222.19</b>		<b>288.85</b>
<b>13</b>	<b>Other Non-Financial Assets</b>				
	Loans to Staff (Employee benefit cost at fair value)		106.31		159.50
	Prepaid Expenses (including upfront fee on unavailed borrowings)		14.84		135.49
	Deferred cost- (Fair Valuation of Security deposit)		8.47		9.59
	Unavailed Tax Credit of GST		6.28		-
	<b>TOTAL</b>		<b>135.90</b>		<b>304.58</b>
<b>14</b>	<b>Payables</b>				
	1. Trade Payables		-		-
	2. Other Payables				
	- Other Sundry Creditors		5.71		5.71
	<b>TOTAL</b>		<b>5.71</b>		<b>5.71</b>
<b>15</b>	<b>Debt Securities (At Amortised Cost)</b>				
	- Secured				
	(Secured By Hypothecation of Book Debts/future receivables)				
	<b>8.81% Bonds (2025) (Series MB 2015-01)</b>				
	15974 Nos of 8.81% Bonds of ₹1,00,000/- each Redeemable at par on 09 November 2025	15,974.00		15,974.00	
	Less- Unamortised Issue Expenses	(65.84)	15,908.16	(77.19)	15,896.81
	Sub-Total				



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	As At 31 March 2021		As At 31 March 2020	
	<b>- Un Secured</b>				
	<b>8.90% Bonds (2020) (Series MB XXXX)</b>				
	500 Nos of 8.90% Bonds of ₹10,00,000/- each Redeemable at par on 29 November 2020	-		5,000.00	
	Less- Unamortised Issue Expenses	-	-	(1.27)	4,998.73
	<b>10.15% Bonds (2021) (Series MB XLI)</b>				
	1000 Nos of 10.15% Bonds of ₹10,00,000/- each Redeemable at par on 01 September 2021	10,000.00		10,000.00	
	Less- Unamortised Issue Expenses	(2.44)	9,997.56	(7.85)	9,992.15
	<b>10.20% Bonds (2021) (Series MB XLII)</b>				
	1000 Nos of 10.20% Bonds of ₹10,00,000/- each Redeemable at par on 16 November 2021	10,000.00		10,000.00	
	Less- Unamortised Issue Expenses	(2.36)	9,997.64	(6.11)	9,993.89
	<b>9.65% Bonds (2022) (Series MB XLIII)</b>				
	565 Nos of 9.65% Bonds of ₹10,00,000/- each Redeemable at par on 19 April 2022	5,650.00		5,650.00	
	Less- Unamortised Issue Expenses	(2.73)	5,647.27	(5.58)	5,644.42
	<b>9.95% Bonds (2022) (Series MB XLIV)</b>				
	750 Nos of 9.95% Bonds of ₹10,00,000/- each Redeemable at par on 01 July 2022	7,500.00		7,500.00	
	Less- Unamortised Issue Expenses	(5.19)	7,494.81	(8.94)	7,491.06
	<b>9.95% Bonds (2022) (Series MB XLV)</b>				
	750 Nos of 9.95% Bonds of ₹10,00,000/- each Redeemable at par on 21 August 2022	7,500.00		7,500.00	
	Less- Unamortised Issue Expenses	(5.32)	7,494.68	(9.08)	7,490.92
	<b>9.50% Bonds (2023) (Series MB XLVI-A)</b>				
	500 Nos of 9.50% Bonds of ₹10,00,000/- each Redeemable at par on 25 February 2023	5,000.00		5,000.00	
	Less- Unamortised Issue Expenses	(6.14)	4,993.86	(8.95)	4,991.05
	<b>9.60% Bonds (2028) (Series MB XLVI-B)</b>				
	1000 Nos of 9.60% Bonds of ₹10,00,000/- each Redeemable at par on 25 February 2028	10,000.00		10,000.00	
	Less- Unamortised Issue Expenses	(28.95)	9,971.05	(31.83)	9,968.17
	<b>9.65% Bonds (2033) (Series MB XLVI-C)</b>				
	750 Nos of 9.65% Bonds of ₹10,00,000/- each Redeemable at par on 25 February 2033	7,500.00		7,500.00	
	Less- Unamortised Issue Expenses	(27.35)	7,472.65	(28.56)	7,471.44
	<b>Total</b>		<b>78,977.68</b>		<b>83,938.64</b>
	Debt Securities in India		78,977.68		83,938.64
	Debt Securities outside India		-		-



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	As At 31 March 2021		As At 31 March 2020	
16	<b>Borrowings (Other than Debt Securities)</b>				
	- Secured (At Amortised Cost)				
	<i>(Secured By Hypothecation of Book Debts/future receivables)</i>				
	<b>I. Term Loans from State Bank of India</b>	-		6,000.00	
	<i>Less: Unamortised Upfront Fee</i>	-	-	-	6,000.00
	<i>8.65% p.a. repayable by 31.03.2021</i>				
	<i>(12 Quarterly installments starting from 30.06.2018 and ending on 31.03.2021)</i>				
	<b>II. Term Loans from State Bank of India</b>	17,500.00		25,000.00	
	<i>Less: Unamortised Upfront Fee</i>	(24.68)	17,475.32	(52.81)	24,947.19
	<i>8.65% p.a. repayable by 31.03.2023</i>				
<i>(12 Quarterly installments starting from 30.06.2020 and ending on 31.03.2023)</i>					
<b>III. Term Loans from State Bank of India</b>	24,986.26		15,000.00		
<i>Less: Unamortised Upfront Fee</i>	(217.56)	24,768.70	(173.13)	14,826.87	
<i>8.65% p.a. repayable by 31.03.2024</i>					
<i>(12 Quaterly installment starting from 30.06.2021 and ending on 31.03.2024)</i>					
<b>IV. Term Loans from Canara Bank</b>	8,750.00		10,000.00		
<i>Less: Unamortised Upfront Fee</i>	(10.29)	8,739.71	(18.00)	9,982.00	
<i>9.30% p.a. repayable by 25.09.2024</i>					
<i>(16 Quarterly installments starting from 25.12.2020 and ending on 25.09.2024)</i>					
<b>V. Cash Credit/WCDL from State Bank of India</b>		6,000.00		5,000.00	
<b>TOTAL</b>		<b>56,983.73</b>		<b>60,756.06</b>	
	Borrowings in India		56,983.73		60,756.06
	Borrowings outside India		-		-
17	<b>Other Financial Liabilities</b>				
	Interest & Other Charges Accrued but not due on Borrowings		1,816.58		2,226.62
	Unclaimed Dividend		201.42		223.12
	Amount Received Pending Adjustment		250.70		894.00
	Lease Liability against right to use asset		233.77		283.85
	Retention towards DSRA		534.62		451.39
	<b>TOTAL</b>		<b>3,037.09</b>		<b>4,078.98</b>
18	<b>Provisions</b>				
	Provision for Employee Benefits		179.14		111.38
	Provision for Expenses		59.57		59.09
	<b>TOTAL</b>		<b>238.71</b>		<b>170.47</b>
19	<b>Other Non-financial liabilities</b>				
	Statutory Dues		83.01		76.27
	<b>TOTAL</b>		<b>83.01</b>		<b>76.27</b>





## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	As At 31 March 2021		As At 31 March 2020	
20	<b>Equity Share Capital</b>				
	<b>Authorised Share Capital</b>				
	25,00,00,000 Equity Shares (P. Y. 25,00,00,000) of ₹ 10/- each		25,000.00		25,000.00
	25,00,00,000 Cumulative Redeemable Preference Shares (P. Y. 25,00,00,000) of ₹ 10/- each		25,000.00		25,000.00
	<b>TOTAL</b>		<b>50,000.00</b>		<b>50,000.00</b>
	<b>Issued, subscribed and fully paid</b>				
	8,07,16,748 Equity Shares (P.Y. 8,07,16,748) of ₹ 10/- each Fully Paid Up		8,071.67		8,071.67
	<b>TOTAL</b>		<b>8,071.67</b>		<b>8,071.67</b>
	<b>Reconciliation of Issued Share Capital</b>	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>
	Equity shares outstanding at the beginning of the year	80716748	8,071.67	80716748	8,071.67
	Issued During year	-	-	-	-
	Brought Back During year	-	-	-	-
	Equity shares outstanding at the end of the year	<b>80716748</b>	<b>8,071.67</b>	<b>80716748</b>	<b>8,071.67</b>
	<b>Shareholders holding more than 5% of Shares in the company</b>	<b>No of Shares</b>	<b>% of shares</b>	<b>No of Shares</b>	<b>% of shares</b>
	(a) India Opportunities III Pte Ltd	80,61,597	9.99%	8061597	9.99%
	(b) Koppara Sajeeve Thomas	76,86,633	9.52%	4035633	5.00%
	(c) Redkite Capital Private Limited	---	---	7955382	9.86%
(d) Varanium Dynamic Trust	---	---	4110861	5.09%	
21	<b>Other Equity</b>				
	<b>Reserves and Surplus</b>				
	(i) Capital Reserves		11.55		11.55
	(ii) Security Premium Reserve		6,232.42		6,271.43
	(iii) General Reserve		23,320.04		21,120.04
	(iv) Retained Earnings		9,664.62		7,217.53
	<b>SUB - TOTAL</b>		<b>39,228.63</b>		<b>34,620.55</b>
	<b>Special Reserves</b>				
	(i) Under Section 36(1)(viii) of the Income Tax Act 1961		15,882.53		18,455.33
	(ii) Under Section 45 IC of RBI Act, 1934		14,992.07		13,377.07
	<b>SUB - TOTAL</b>		<b>30,874.60</b>		<b>31,832.40</b>
	<b>Other Reserves</b>				
	(i) Equity Instruments through Other Comprehensive Income		987.72		827.56
<b>SUB - TOTAL</b>		<b>987.72</b>		<b>827.56</b>	
<b>TOTAL</b>		<b>71,090.95</b>		<b>67,280.51</b>	



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	As at 31 March 2021		As at 31 March 2020	
	<b>Reserves and Surplus</b>				
	<b>(i) Capital Reserves</b>				
	Balance at the beginning of the year	11.55		11.55	
	Add: Transfer	-		-	
	Balance at the end of the year		11.55		11.55
	<b>(ii) Security Premium Reserve</b>				
	Balance at the beginning of the year	6,271.43		6,308.94	
	Less: Amortization of transaction cost of bonds	(39.01)		(37.51)	
	Balance at the end of the year		6,232.42		6,271.43
	<b>(iii) General Reserve</b>				
	Balance at the beginning of the year	21,120.04		18,920.04	
	Add: Transfer	2,200.00		2,200.00	
	Balance at the end of the year		23,320.04		21,120.04
	<b>(iv) Retained Earnings</b>				
	Balance at the beginning of the year	7,217.53		7,262.68	
	- Less: Payment of Dividend (Including Tax thereon)	-		(2,140.78)	
	- Add/Less: Other Comprehensive Income directly recognised. (Remeasurement of Actuarial Gain /(Loss))	5.62		(42.17)	
	- Add: Reclassification of Realised gain from OCI to Reserves	14.73		106.99	
	- Add: Profit for the Year	8,074.74		8,101.81	
	<b>Less: Appropriations</b>				
	- Transfer to General Reserve	(2,200.00)		(2,200.00)	
	- Transfer to Special Reserve under Section 36(1) (viii) of the Income Tax Act 1961"	(1,833.00)		(2,250.00)	
	- provision Under Section 45 IC of RBI Act, 1934	(1,615.00)		(1,621.00)	
	Balance at the end of the year		9,664.62		7,217.53
	<b>Special Reserves</b>				
	<b>(i) Under Section 36(1)(viii) of the Income Tax Act 1961</b>				
	Balance at the beginning of the year	18,455.33		20,605.33	
	Add: Transfer	1,833.00		2,250.00	
	Less: Utilised for Write-off	(4,405.80)		(4,400.00)	
	Balance at the end of the year		15,882.53		18,455.33
	<b>(ii) Under Section 45 IC of RBI Act, 1934</b>				
	Balance at the beginning of the year	13,377.07		11,756.07	
	Add: Transfer	1,615.00		1,621.00	
	Less: Written Back in Current period	-		-	
	Balance at the end of the year		14,992.07		13,377.07
	<b>Other Reserves</b>				
	<b>Equity Instruments through Other Comprehensive Income</b>				
	Balance at the beginning of the year	827.56		754.93	
	Add: Other Comprehensive Income	174.89		179.62	
	Less: Reclassification of Realised gain from OCI to reserves	(14.73)		(106.99)	
	Balance at the end of the year		987.72		827.56



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	Year Ended March 31, 2021			Year Ended March 31, 2020		
		On Financial Assets measured at Amortised Cost	On Financial Assets measured Through P&L	On Financial Assets measured Through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured Through P&L	Financial Assets measured Through OCI
<b>22</b>	<b>Interest Income</b>						
	<b>1. Interest on Loans</b>						
	(a) Interest on Loans & Advances	23,271.08	-	-	22,191.19	-	-
	(b) Interest on Loans to Staff	9.66	-	-	14.24	-	-
	(c) Interest on Loans to Staff (due to amortisation of loan at FV)"	16.22	-	-	22.10	-	-
	<b>2. Interest on Investments</b>						
	(a) Interest on investment in bonds	1,255.97	-	-	1,723.37	-	-
	(b) Interest on investment in CD's	-	-	-	1.76	-	-
	(c) Interest on term deposit with banks	205.57	-	-	68.70	-	-
	<b>3. Interest income (due to fair valuation of security deposit)</b>	2.08	-	-	1.17	-	-
	<b>Total</b>	<b>24,760.58</b>	<b>-</b>	<b>-</b>	<b>24,022.53</b>	<b>-</b>	<b>-</b>
<b>23</b>	<b>Dividend Income</b>						
	Dividend Received	-	-	69.69	-	-	35.70
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>69.69</b>	<b>-</b>	<b>-</b>	<b>35.70</b>

Note No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
		<b>24</b>	<b>Fees &amp; Commission Income</b>
	Premium on prepayments of loan	136.28	149.44
	Legal fee	18.98	28.25
	Appraisal and Advisory fee	409.45	792.18
	Management fee	165.75	79.22
	<b>Total</b>	<b>730.46</b>	<b>1,049.09</b>



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	Year Ended	
		March 31, 2021	March 31, 2020
<b>25</b>	<b>Net gain/(loss) on fair value changes</b>		
	<b>Net Gain/(Loss) on financial instruments at fair value through profit or loss</b>		
	(i) On trading portfolio - Investments		
	- Gain/(Loss) on fair valuation of Mutual Funds	-	0.24
	- Gain/(Loss) on fair valuation of Shares	2.50	(8.58)
	(ii) On non-trading portfolio - Investments		
	- Gain/ (Loss) on fair valuation of security receipts	-	(1,280.10)
	<b>Net Gain/(Loss) realised on sale of financial instruments</b>		
	(i) On trading portfolio - Investments		
	- Gain/(Loss) on investment in mutual funds (debt based)	24.41	288.42
	- Gain/(Loss) on sale of Bonds/Debentures	242.27	41.30
	(ii) On non-trading portfolio - Investments		
	- Gain/ (Loss) on sale of shares	14.42	1,480.32
	(iii) On financial instruments designated at fair value through profit or loss		
	- Gain/ (Loss) on redemption of security receipts	0.88	11.25
	<b>Total Net gain/(loss) on fair value changes</b>	<b>284.48</b>	<b>532.85</b>
	<b>Fair Value changes:</b>		
	- Realised	281.98	1,821.29
	- Unrealised	2.50	(1,288.44)
	<b>Total</b>	<b>284.48</b>	<b>532.85</b>
<b>26</b>	<b>Other Operating Income</b>		
	Bad Debt Recovered	-	635.00
	<b>Total</b>	<b>-</b>	<b>635.00</b>
<b>27</b>	<b>Other Income</b>		
	Interest on income tax refund	-	276.34
	Miscellaneous Income	5.48	14.46
	<b>Total</b>	<b>5.48</b>	<b>290.80</b>

Note No.	Particulars	Year ended		Year ended	
		31 March 2021		31 March 2020	
		On Financial liabilities measured at Amortised Cost	On Financial liabilities measured through P&L	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured through P&L
<b>28</b>	<b>Finance Cost</b>				
	Interest on borrowings	4,909.63	-	4,078.00	-
	Interest on debt securities	7,919.72	-	7,918.47	-
	Interest on lease liability	23.36	-	8.73	-
	Other Fee and charges	158.86	-	66.35	-
	<b>Total</b>	<b>13,011.57</b>	<b>-</b>	<b>12,071.55</b>	<b>-</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>29</b>	<b>Employee Benefit Expenses</b>		
	Salaries & Allowances	1,516.57	1,132.68
	Contribution to Provident Fund	98.99	85.66
	Contribution for Gratuity	52.12	37.91
	Contribution for Leave Encashment	33.13	96.51
	Staff Welfare Expenses & Others	16.08	33.91
	Interest on Loans to Staff (due to amortisation of loan at FV)	16.22	22.83
	<b>Total</b>	<b>1,733.11</b>	<b>1,409.50</b>
<b>30</b>	<b>Depreciation</b>		
	Building (NBCC Plaza)	26.49	26.49
	Furniture & Fixtures	1.02	0.75
	Office Equipment	6.38	2.87
	Electricals	2.49	1.39
	Computers	9.20	2.50
	Vehicles	2.56	2.55
	Computer Software	0.06	-
	Right of Use Assets	66.66	27.77
	<b>Total</b>	<b>114.86</b>	<b>64.32</b>
<b>31</b>	<b>Other Expenses</b>		
	Rent Rates & Taxes	10.26	6.87
	Office Upkeep & Maintenance	94.07	124.80
	Insurance Premium	19.89	6.33
	Electricity charges	5.99	5.02
	Travelling and Conveyance	120.54	128.95
	Printing and Stationery	6.15	9.22
	Postage, Telephone and Internet	44.87	33.60
	Advertisement & Publicity	50.58	23.15
	Books & Periodicals	11.08	8.26
	Membership and Subscription	4.38	5.88
	Directors Sitting Fee	30.09	25.65
	Board Meeting Expenses	0.26	19.99
	AGM Expenses	0.01	10.09
	Registrar & Transfer Agent Fee	5.46	5.76
	Listing Fee	7.84	9.50
	Rating Fees	72.69	83.04
	Audit Fee	5.90	5.90
	Legal and Professional Charges	184.40	143.37
	Miscellaneous Expenses	8.02	6.92
	Corporate Social Responsibility(CSR) Expenses	213.30	213.00
	<b>Total</b>	<b>895.78</b>	<b>875.30</b>



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

<b>32</b>	<b>Provisions, Contingent Liabilities and Contingent Assets (Ind AS - 37)</b>			
<b>a)</b>	<b>Contingent Liabilities:</b>			
	<b>Particulars</b>	<b>31 March 2021</b>		<b>31 March 2020</b>
	Income Tax		152.12	152.12
	<b>Total</b>		<b>152.12</b>	<b>152.12</b>
	Contingent liabilities not provided for where order of CIT(Appeals)/ITAT, in similar matters, in previous years, are in favour of the TFCL.			
<b>b)</b>	<b>Contingent Assets:</b>			
	<b>Particulars</b>	<b>31 March 2021</b>		<b>31 March 2020</b>
	Contingent Assets		Nil	Nil

<b>33</b>	<b>Effects of changes in Foreign Exchange Rates (Ind AS - 21) : NIL (PY-NIL)</b>
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<b>34</b>	<b>Employee Benefits (IND AS - 19)</b>			
	<b>The summarized position of various defined benefits recognized in the Statement of Profit &amp; Loss, Other Comprehensive Income (OCI) and Balance Sheet &amp; other disclosures.</b>			
	<b>Summary of membership data (Gratuity &amp; Leave Encashment)</b>	<b>31 March 2021</b>		<b>31 March 2020</b>
	Number of Regular employees		39	39
	Total Monthly Salary for gratuity		63.81	71.40
	Total Monthly Salary for leave encashment		105.44	109.74
	Total Monthly Salary for leave availment		105.44	109.74
	Average Past Service (in Years)		13.79	15.40
	Average Age of Employees (in Years)		44.74	45.95
	Average remaining working life (in Years)		15.26	14.05
	Leave balance considered on valuation date (No's)		5344	5988
	Weighted average duration of PBO (in Years)		12.75	12.04
	<b>Balances of defined benefit obligation</b>			
	<b>Particulars</b>	<b>31 March 2021</b>		<b>31 March 2020</b>
		<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>
				<b>Leave Encashment</b>
	Defined Benefit Obligation	556.63	416.50	575.73
	Fair Value of Plan Assets	504.34	337.64	560.86
	<b>Net Defined Benefit Assets/(Liabilities)</b>	<b>(52.29)</b>	<b>(78.86)</b>	<b>(14.87)</b>
	<b>Movement in present value of defined benefit obligation</b>			
	<b>Particulars</b>	<b>31 March 2021</b>		<b>31 March 2020</b>
		<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>
				<b>Leave Encashment</b>
	Defined benefit obligation at the beginning of the year	575.73	433.30	486.42
	Service cost	51.10	91.07	40.43
	Interest Cost	39.73	29.90	36.97
	Benefits Paid	(104.30)	(73.17)	(30.26)
	Total actuarial loss/(gain) on obligation	(5.63)	(64.60)	42.17
	<b>Defined benefit obligation at the end of the Year</b>	<b>556.63</b>	<b>416.50</b>	<b>575.73</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

<b>Movement in fair value of plan asset</b>				
<b>Particulars</b>	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
Fair value of plan assets at the beginning of the year	560.86	336.79	519.56	277.08
Actuarial return on the plan assets	38.70	23.23	39.49	21.37
Mortality charges	-	-	-	(1.70)
Recovered from fund	-	-	-	5.83
Employer contribution	9.08	50.78	32.08	51.72
Benefit paid	(104.30)	(73.16)	(30.27)	(17.51)
<b>Fair value of plan assets at end of year</b>	<b>504.34</b>	<b>337.64</b>	<b>560.86</b>	<b>336.79</b>
<b>Amount Recognized in Statement of Profit and Loss</b>				
<b>Particulars</b>	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
Current service cost	51.10	91.07	40.43	63.89
Past Service Cost including Curtailment loss/gain	-	-	-	-
Gain or loss on non-routine settlement	-	-	-	-
<b>Service Cost</b>	<b>51.10</b>	<b>91.07</b>	<b>40.43</b>	<b>63.89</b>
Net interest cost	1.02	6.66	(2.52)	3.93
Net actuarial (gain) / loss recognized in the period	-	(64.60)	-	28.69
<b>Cost Recognized in P&amp;L</b>	<b>52.12</b>	<b>33.13</b>	<b>37.91</b>	<b>96.51</b>
<b>Amount recognized in Other Comprehensive Income (OCI)</b>				
<b>Particulars</b>	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
Net cumulative unrecognised actuarial gain/(loss) - opening balance	-	-	-	-
Actuarial gain/(loss) for the year on PBO	5.62	-	(42.17)	-
Actuarial gain /(loss) for the year on Asset	-	-	-	-
<b>Unrecognised actuarial gain/(loss) at the end of the year</b>	<b>5.62</b>	<b>-</b>	<b>(42.17)</b>	<b>-</b>
<b>Sensitivity Analysis</b>				
Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.				
<b>Assumptions</b>	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
Present Value of Obligation at the end of the period	556.63	416.50	575.73	433.30
Impact due to increase of 0.50% in discount rate	(27.32)	(19.94)	(22.14)	(17.99)
Impact due to decrease of 0.50 % in discount rate	28.31	21.37	23.43	19.20
Impact due to increase of 0.50% in salary	28.95	21.19	23.18	19.04
Impact due to decrease of 0.50 % in salary	(27.95)	(19.98)	(22.89)	(18.03)



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

<b>Actuarial Assumption</b>				
<b>Particulars</b>	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
Method used	Projected Unit Credit (PUC)		Projected Unit Credit (PUC)	
Discount rate	6.92%	6.92%	6.90%	6.90%
Rate of salary increase	7.00%	7.00%	7.00%	7.00%
<b>Maturity Profile of Defined Benefit Obligation</b>				
<b>Year of payment</b>	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
0 to 1 Year	12.75	11.72	43.96	53.88
1 to 2 Year	8.21	6.70	8.50	6.17
2 to 3 Year	8.15	6.61	8.48	6.17
3 to 4 Year	8.90	6.71	8.45	6.13
4 to 5 Year	42.27	27.57	45.16	28.18
5 to 6 Year	56.14	51.84	35.98	22.69
6 Year onwards	420.21	305.35	425.19	310.08
<b>Category of investment in Plan assets</b>				
<b>Category of Investment</b>	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
	<b>% of fair value of plan assets</b>			
Funds Managed by Insurer	100%	100%	100%	100%

**35 Operating Segments (Ind AS - 108)**

- a) Based on the "Management Approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on an analysis of various performance indicators by business segments. The Managing Director (MD) has been identified as CODM. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual business segment, and are as set out in the significant accounting policies.
- b) The company operates in a single segment namely "Financing and Investment Activities" taking into account the different risks and returns, the organisational structure and the internal reporting systems. With a view to engage in Investment Banking activities, consultancy & advisory services, TFCI Capital Ltd (100% subsidiary of TFCI) has been incorporated by subscribing to Equity Capital of ₹5.00 lakh during FY 2019-20. The subsidiary has started operational activities during FY 2020-21. Accordingly, the consolidated annual accounts have been prepared for the first time in FY2020-21.
- c) **Entity-Wide Disclosures-**
  - (i) **Information about major customers**  
The company is not reliant on single customer for revenue and hence revenue from no single external customer amounts to 10 per cent or more of an entity's revenues.





## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

## (ii) Geographical Information

Revenue from external customers by location of operations and information about its non current assets by location of assets are as follow :-

Particulars	Geographical Location - INDIA			
	Non Current Assets		Revenue from External Customers	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Property, Plant & Equipment	1,427.52	1,461.21	25,845.21	26,275.17
Loans & Advances (Gross)	1,97,577.23	1,79,264.40		
<b>Total</b>	<b>1,99,004.75</b>	<b>1,80,725.61</b>	<b>25,845.21</b>	<b>26,275.17</b>

## (iii) Revenue from Major Products

Revenue from external customers for each product and service are as follow:-

Particulars	31 March 2021	31 March 2020
Interest Income	24,760.58	24,022.53

Company is in the business of providing financial assistance to entities engaged mainly in tourism related projects and derives its major revenue from interest on loans to such entities.

## 36 Earning Per Share (Ind AS - 33)

## a) Basic EPS

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Net Profit Attributable to Equity Shareholders	8,074.74	8,101.81
Weighted Average Number of Equity Shares (No's)	80716748	80716748
Basic Earning Per Share (Face Value ₹10/- each)	10.00	10.04

## b) Diluted EPS

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Net Profit Attributable to Equity Shareholders (₹ in lakh)	8,074.74	8,101.81
Weighted Average Number of Equity Shares (No's)	80716748	80716748
Diluted Earning Per Share (Face Value ₹10/- each)	10.00	10.04

## 37 Dividends (Ind AS - 10)

a) The Board of Directors have recommended dividend of ₹ 0.80/- per share (8%) for the Financial Year 2020-21 subject to its approval by shareholders in forthcoming AGM.

## b)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Dividend Paid During Year	-	1,775.77
Equity Shares (No's)	80716748	80716748
Dividend Per Share (Face Value ₹10/- each)	-	2.20
Dividend(as % of per equity share)	-	22.00%



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

38 Related Part Disclosure (Ind AS -24)

(a) List of Related Party and their Relationship

S r. No.	Name	Relationship	Related Party During	
			FY: 2020-21	FY: 2019-20
<b>- Directors &amp; Key Managerial Persons</b>				
1	Shri S. Ravi	Non-Executive Chairman (Independent Director)	✓	✓
2	Shri Shyam Maheshwari	Nominee of India Opportunities III Pte Ltd	✓	✓
3	Shri Koppara Sajeeve Thomas	Promoter Director	✓	✓
4	Shri S.C. Sekhar	Independent Director	✓	✓
5	Shri Bapi Munshi	Independent Director	✓	✓
6	Mrs.Thankom T Mathew	Independent Director	✓	✓
7	Shri R.K. Sood	Representing LIC of India (w.e.f. 30.09.2019)	✓	✓
8	Shri Anirban Chakraborty	Managing Director & CEO (w.e.f. 15.04.2019)	✓	✓
9	Shri B.M.Gupta	Whole Time Director (demised on 26.11.2020)	✓	✓
10	Shri Suman Billa	Nominee Director, Ministry of Tourism, Govt. of India (upto 10.11.2020)	✓	✓
11	Shri Naresh T. Jain	Promoter Director (upto 09.03.2020)	-	✓
12	Shri Niraj Agarwal	Representing LIC of India (upto 13.08.2019)	-	✓
13	Shri S. Sridhar	Independent Director (upto 16.07.2019)	-	✓
14	Shri K.B. Nagendra Murthy	Independent Director (upto 14.07.2019)	-	✓
15	Shri Rudhra Gangadharan I.A.S. (Retd.)	Independent Director (upto 27.06.2019)	-	✓
16	Shri Anoop Bali	Chief Financial Officer	✓	✓
17	Shri Sanjay Ahuja	Company Secretary	✓	✓
<b>- Other Related Parties</b>				
1	TFCI Capital Ltd	Subsidiary Company	✓	✓
2	Redkite Capital Pvt. Ltd. (Investing Company)	Associate (upto 24.12.2019) Company with Common Director (upto 9.3.2020)	-	✓
3	UTI Trustee Company Pvt. Ltd.	Company with Common Director (upto 8.7.2020)	✓	✓
4	S. Ravi Financial Management Services Pvt. Ltd.	Company with Common Director	✓	✓
5	GVFL Trustee Company Pvt. Ltd.	Company with Common Director (upto 16.07.2019)	-	✓
6	Universal Trustees Pvt. Ltd.	Company with Common Director (upto 16.07.2019)	-	✓
7	Strategic Research & Information Capital Services Pvt. Ltd.	Company with Common Director (upto 16.07.2019)	-	✓
8	Epitome Multitrade Pvt. Ltd.	Company with Common Director (upto 09.03.2020)	-	✓
9	Moneytree Multitrade Pvt. Ltd.	Company with Common Director (upto 09.03.2020)	-	✓



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

10	Aparjita Mercantile Pvt. Ltd.	Company with Common Director (upto 09.03.2020)	-	✓
11	Epitome Consulting Services Pvt. Ltd.	Company with Common Director (upto 09.03.2020)	-	✓
12	Shapoorji Pallonji Finance Pvt. Ltd.	Company with Common Director (upto 16.03.2020)	-	✓
13	Sunbright Consulting Pvt. Ltd.	Director is Member	✓	✓
14	Varanium Advisory Pvt. Ltd.	Director is Member	✓	✓
15	Essfore Consultancy Services Pvt. Ltd.	Company with Common Director (upto 16.07.2019)	-	✓
16	SBI Payment Services Pvt. Ltd.	Company with Common Director (w.e.f. 28.11.2019)	✓	✓
17	Abhay Capital Services Pvt. Ltd.	Director relative is Member/Director	✓	✓
18	Abhay Financial Consultancy Pvt. Ltd.	Director relative is Member/Director	✓	✓
19	Drishya Education Scholarship Foundation	Director relative is Member/Director	✓	✓
20	Ravi Rajan Consultancy Pvt. Ltd.	Director relative is Member/Director	✓	✓
21	Fidas Tech Pvt. Ltd.	Director relative is Member/Director	✓	✓
22	Benzai10 Investment Ventures Pvt Ltd	Director relative is Member/Director (w.e.f. 25.9.2020)	✓	-

**(b) Transactions with Related Parties**

S r. No.	Name	Nature of Transaction	Year Ended 31 March 2021	Year Ended 31 March 2020
1	Anirban Chakraborty	Salary including perquisites	173.68	208.52
2	B.M. Gupta (upto 26.11.2020) \$	Salary including perquisites	119.99	70.46
3	Anoop Bali	Salary including perquisites	48.29	49.02
4	Sanjay Ahuja	Salary including perquisites	38.93	37.67

**(c) Closing Balances with related Parties**

S r. No.	Name	Nature of Transaction	Year Ended 31 March 2021	Year Ended 31 March 2020
1	Anirban Chakraborty	Gratuity & Leave Encashmet	48.51	31.40
2	B.M. Gupta (upto 26.11.2020)	Gratuity & Leave Encashmet	Nil	74.25
3	Anoop Bali	Gratuity & Leave Encashmet	60.28	56.68
4	Sanjay Ahuja	Gratuity & Leave Encashmet	49.28	46.32

\$ includes retirement benefits paid on untimely demise

**39 Leases (Ind AS 116)**

The company has consistently applied the accounting policies to all periods presented in this financial statement. The company has applied Ind AS 116 with the date of initial application of 1<sup>st</sup> April, 2019 except where the lease rentals per annum were insignificant, which have been charged to P&L A/c on straight line basis over the lease period.

**1. Description of Leases**

The Company's significant leasing arrangements is in respect of leases of premises for office use in Mumbai. The tenure of lease arrangements ranges is for 5 years. Under lease arrangements, refundable interest-free security deposits of ₹33.00 lakh has been given. The company has applied the incremental borrowing rate to lease liabilities recognised in the balance sheet at the date of initial application.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

## 2. The impact of adoption of Ind AS 116 is as follows :

Particulars	31.03.2021	31.03.2020
Recognition of Rights of Use Assets (Note No. 12)	316.62	316.62
Recognition of Lease Liability (Net) (Note No.17)	233.77	283.85
Increase in finance cost (Note No. 28)	23.36	8.73
Increase in Depreciation (Note No. 30)	(66.66)	(27.77)

## 3. Maturity analysis of lease liabilities

The tables below shows the company's financial liabilities into relevant maturity groupings based on their contractual maturities for undiscounted cash flows.

Maturity analysis – contractual undiscounted cash flows	As at 31 March 2021	As at 31 March 2020
Up to 30/31 Days	6.29	6.00
Over 1 months -2 months	6.29	6.00
Over 2 months -3 months	6.29	6.00
Over 3 months - upto 6 months	18.88	17.98
Over 6 months -upto 1 year	39.34	37.47
Over 1 year & up to 3 years	165.98	158.08
Over 3 & up to 5 years	29.15	114.16
Over 5 years	-	-
Total undiscounted lease liabilities at 31 March 2021	272.22	345.69
Lease liabilities included in the statement of financial position at 31 March 2021	233.77	283.85
Current	77.09	73.45
Non-Current	156.68	210.40

## 4. Amounts recognised in profit or loss

Particulars	Period ended 31 March 2021	Period ended 31 March 2020
Interest on lease liabilities	23.36	8.73
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases	2.22	2.22
Depreciation charge for right-of-use assets by class of underlying asset;	66.66	27.77

## 5. Amounts recognised in the statement of cash flows

Particulars	Period ended 31 March 2021	Period ended 31 March 2020
Total cash outflow for leases	73.45	41.49

## 6. Amounts recognised in the Balance Sheet

Particulars	As at 31 March 2021	As at 31 March 2020
Recognition of Lease Liability - Gross	316.62	316.62
Recognition of Rights of Use Assets - Gross	316.62	316.62



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

40 Fair Value Measurement (IND AS - 113)

Financial instrument by category

A. Particulars	As at 31 March 2021				Total
	At Amortised Cost	At Fair Value		At Cost	
		Through Other Comprehensive Income	Through profit or loss		
<b>Financial assets</b>					
Cash and cash equivalents	1,616.12	-	-	-	1,616.12
Bank balances other than (i) above	201.42	-	-	-	201.42
Other receivables	25.64	-	-	-	25.64
Loans & Advances	1,94,185.60	-	-	-	1,94,185.60
Loan to employees	205.83	-	-	-	205.83
Investment in debt securities	9,271.92	-	-	-	9,271.92
Investment in equity securities	-	2,114.24	4.22	-	2,118.46
Investment in security receipts	-	-	4,481.46	-	4,481.46
Investment in subsidiary	-	-	-	5.00	5.00
Other financial assets	1,451.26	-	-	-	1,451.26
<b>Total financial assets</b>	<b>2,06,957.79</b>	<b>2,114.24</b>	<b>4,485.68</b>	<b>5.00</b>	<b>2,13,562.71</b>
<b>Financial liabilities</b>					
Payables	5.71	-	-	-	5.71
Debt Securities	78,977.68	-	-	-	78,977.68
Borrowings (other than debt securities)	56,983.73	-	-	-	56,983.73
Other financial liabilities	3,037.09	-	-	-	3,037.09
<b>Total financial liabilities</b>	<b>1,39,004.21</b>	-	-	-	<b>1,39,004.21</b>

Particulars	As at 31 March 2020				Total
	At Amortised Cost	At Fair Value		At Cost	
		Through Other Comprehensive Income	Through profit or loss		
<b>Financial assets</b>					
Cash and cash equivalents	18,837.43	-	-	-	18,837.43
Bank balances other than (i) above	223.14	-	-	-	223.14
Other receivables	23.76	-	-	-	23.76
Loans & Advances	1,75,904.25	-	-	-	1,75,904.25
Loan to employees	284.35	-	-	-	284.35
Investment in debt securities	15,327.01	-	62.23	-	15,389.24
Investment in equity securities	-	1,974.93	1.72	-	1,976.65
Investment in security receipts	-	-	4,483.52	-	4,483.52
Investment in subsidiary	-	-	-	5.00	5.00
Other financial assets	2,167.61	-	-	-	2,167.61
<b>Total financial assets</b>	<b>2,12,767.55</b>	<b>1,974.93</b>	<b>4,547.47</b>	<b>5.00</b>	<b>2,19,294.95</b>
<b>Financial liabilities</b>					
Payables	5.71	-	-	-	5.71
Debt Securities	83,938.64	-	-	-	83,938.64
Borrowings (other than debt securities)	60,756.06	-	-	-	60,756.06
Other financial liabilities	4,078.98	-	-	-	4,078.98
<b>Total financial liabilities</b>	<b>1,48,779.39</b>	-	-	-	<b>1,48,779.39</b>



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

B. Particulars	31 March 2021		31 March 2020	
	Fair value at the date of derecognition	Cumulative gain or loss on disposal	Fair value at the date of derecognition	Cumulative gain or loss on disposal
Shell Inn International Pvt. Limited	35.57	29.12	313.93	1,444.34
Balaji Hotels Ltd	-	-	-	(253.91)
<b>Total</b>	<b>35.57</b>	<b>29.12</b>	<b>313.93</b>	<b>1,190.43</b>

Fair value hierarchy

C (i). Financial Instruments Measured and Recognised at Fair Value (FVTOCI & FVTPL).

Particulars	Amount at Fair Value						Valuation Techniques & Significant Inputs
	As at 31 March 2021			As at 31 March 2020			
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
<b>I. FINANCIAL ASSETS</b>							
<b>Financial Investments at FVTOCI</b>							
- Investment in Equity Instruments (refer footnote of Note No.7)	-	-	2,114.24	-	-	1,974.93	Fair value ascertained based on Book Value/Market Value of Securities
<b>Financial Investments at FVTPL</b>							
- Investment in Debt Securities	-	-	-	-	-	-	Open Market Settlement Rate
- Investment in Equity Instruments	4.22	-	-	6.72	-	-	Share Market Quoted Price
- Investment in Security Receipts	-	-	4,481.46	-	-	4,483.52	NAV Declared by SR Trust/ proposal for settlement under consortium
- Investment in Mutual Funds	-	-	-	62.23	-	-	NAV Declared by Mutual fund
<b>TOTAL</b>	<b>4.22</b>	<b>-</b>	<b>6,595.70</b>	<b>68.95</b>	<b>-</b>	<b>6,458.45</b>	
<b>II. FINANCIAL LIABILITIES</b>	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

## C (ii). Financial Assets and Liabilities Measured at Amortised Cost..

Particulars	Amount at Fair Value						Valuation Techniques & Significant Inputs
	As at 31 March 2021			As at 31 March 2020			
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
<b>I. FINANCIAL ASSETS</b>							
- Loan to Companies/LLP	-	-	1,97,371.40	-	-	1,78,980.05	Effective Interest Rate (EIR).
- Loan to Employees	-	205.83	-	-	284.35	-	NPV at SBI Rate for Perquisite.
- Investment in Debt Securities	-	-	9,271.92	-	-	15,327.01	Effective Interest Rate (EIR).
<b>TOTAL</b>	-	<b>205.83</b>	<b>2,06,643.32</b>	-	<b>284.35</b>	<b>1,94,307.06</b>	
<b>II. FINANCIAL LIABILITIES</b>							
- Debt securities	-	-	78,977.68	-	-	83,938.64	Effective Interest Rate (EIR).
- Borrowings(other than debt securities)	-	-	56,983.73	-	-	60,756.06	Effective Interest Rate (EIR).
<b>TOTAL</b>	-	-	<b>1,35,961.41</b>	-	-	<b>1,44,694.70</b>	

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value are observable and significance to the inputs to the fair value measurement in its entirety, which are described as follows

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date.

## C (iii). Table showing Carrying Value and Fair Value of all Financial Assets and Liabilities.

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>I. FINANCIAL ASSETS</b>				
- Cash & cash equivalent	1,817.54	1,817.54	19,060.57	19,060.57
- Receivables	25.64	25.64	23.76	23.76
- Loans & advances	1,97,976.38	1,97,577.23	1,79,797.99	1,79,264.40
- Investments	16,508.61	15,876.84	22,649.52	21,854.41
- Other Financial Assets	1,459.73	1,451.26	2,177.20	2,167.61
<b>TOTAL</b>	<b>2,17,787.90</b>	<b>2,16,748.51</b>	<b>2,23,709.04</b>	<b>2,22,370.75</b>
<b>II. FINANCIAL LIABILITIES</b>				
- Payables	5.71	5.71	5.71	5.71
- Debt securities	79,124.00	78,977.68	84,124.00	83,938.64
- Borrowings(other than debt securities)	57,236.26	56,983.73	61,000.00	60,756.06
- Other financial liabilities	3,037.09	3,037.09	4,078.98	4,078.98
<b>TOTAL</b>	<b>1,39,403.06</b>	<b>1,39,004.21</b>	<b>1,49,208.69</b>	<b>1,48,779.39</b>

The carrying amount of the cash & cash equivalent, receivables, payables, Other financial assets & other financial liabilities are considered as their fair values due to their short term nature.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

## 41 Financial Risk Management (Ind AS - 109)

Associated Risk to Company and its Management

Risk	Exposure on which arise	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial asset measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits, credit rating review, hypothecation of assets, Maintaining adequate cash and cash equivalent
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Company has taken the loan at competitive market rates
Market risk- security prices	Investment in equity securities and debt instruments	Sensitivity analysis	Portfolio diversification

## A) Credit risk

- i. The company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

## ii. Significant estimates and judgements

**Impairment of financial assets:-**

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's history for past 10 years, existing market conditions as well as forward looking estimates at the end of each reporting period.

Company has adopted policy to recognise impairment loss (ECL) in books and has categorized all loans, in tourism & non-tourism segments based on nature of substantive security, in three stages:

Stage-1 – Standard Assets (with no overdues or default upto 30 days)

Stage-2 – Standard Assets (with overdues between 31 days to 90 days)

Stage-3 – Non-Performing Assets / Restructured Assets - Credit impaired.

ECL is calculated based on past ten years data as follows:-

ECL= Exposure at Default X Probability of Default (PD) X Loss given default (LGD)

Probability of Default (PD):

Stage-1:  $\frac{\text{No of Borrowers moving to Stage-3}}{\text{Total No of Borrowers}} \times \text{Loan Exposure (in \% terms)}$

Stage-2:  $\frac{\text{No of Borrowers moving to Stage-3}}{\text{Total No of Borrowers in Stage-2}} \times \text{(in \% terms)}$

Stage-3: 100% (Since default has already incurred)

Loss given Default:  $\text{LGD} = 1 - \frac{(\text{PV Recovery} - \text{Cost of recovery})}{\text{Exposure at Default}}$  (in % terms)

Where PV recovery is the sum of discounted cash flows of the recovery made (discounted at weighted average cost of borrowings).

It is presumed that there is increase in credit risk whenever past dues exceed 30 days, however the presumption is rebuttable if there are sufficient and supportable information that demonstrates that the credit risk has not increased despite past overdues exceeding 30 days but less than 60 days, such as availability of tangible security, confirmed availability of buyer/auction price for exceeding the value of the loan asset. All such cases are reviewed by the Audit Committee of the Board before finalisation.





## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

**iii. Analysis of risk concentration**

The following table shows the risk concentration of the Company's loans.

Particulars	31 March 2021	31 March 2020
Carrying value of Loans to companies	1,97,371.40	1,78,980.05
Mortgage & Assets backed loans	1,97,371.40	1,78,980.05

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main types of collateral obtained are, as follows:

- For project lending to hotel/other tourism sector, Exclusive/Pari-passu charge on project assets alongwith mortgage of land and building and hypothecation of movables.
- For manufacturing lendings, the security cover by means of charge on net fixed assets/project assets of the borrower company should be atleast 1.5 times or by way of charge on collateral immovable assets based on distress sale value Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

Loan to Value (LTV) range	31 March 2021	31 March 2020
Above 100% Coverage	1,97,371.40	1,78,980.05

**B) Liquidity risk**

Liquidity is the risk that suitable sources of funding for Company's business activities may not be available. The Company's objective is to maintain optimum level of liquidity to meet its cash requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It also maintains adequate sources to finance its short term and long term fund requirement such as overdraft facility and Long term borrowing through domestic market.

**(i) Financing arrangements**

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	31 March 2021	31 March 2020
<b>Floating rate</b>		
- Expiring within one year (bank overdraft and other facilities)	4,000.00	50,000.00

Company has cash credit facility from banks at floating rate of interest which is renewed every year.

**(ii) Maturity profile of financial liabilities**

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for: all non-derivative financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows:-



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant :-

Particulars	Contractual maturities of financial liabilities					
	31 March 2021			31 March 2020		
	Bank Borrowings	Market Borrowings	Total	Bank Borrowings	Market Borrowings	Total
1 day to 30/31 days (one month)	-	-	-	5,000.00	-	5,000.00
Over one month to 2 months	-	-	-	-	-	-
Over 2 months upto 3 months	4,361.26	-	4,361.26	3,375.00	-	3,375.00
Over 3 months to 6 months	4,375.00	10,000.00	14,375.00	3,375.00	-	3,375.00
Over 6 months to 1 year	14,750.00	10,000.00	24,750.00	13,000.00	5,000.00	13,000.00
Over 1 year to 3 years	32,500.00	25,650.00	58,150.00	32,500.00	45,650.00	83,150.00
Over 3 years to 5 years	1,250.00	15,974.00	17,224.00	3,750.00	-	3,750.00
Over 5 years	-	17,500.00	17,500.00	-	33,474.00	33,474.00
<b>Total</b>	<b>57,236.26</b>	<b>79,124.00</b>	<b>1,36,360.26</b>	<b>61,000.00</b>	<b>84,124.00</b>	<b>1,45,124.00</b>

## C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk :- interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings.

## (i) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the long term loans with floating interest rates. The Company manages its interest rate risk according to its Board approved Interest Rate Risk Management policy'. Market interest rate risk is mitigated by proper review of market conditions, factors etc.

The company's borrowings are carried at amortised cost.

The fixed costs borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## (a) Interest rate risk exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows :-

Particulars	31 March 2021	31 March 2020
Variable rate borrowings	57,236.00	61,000.00
Fixed rate borrowings	79,124.00	84,124.00
<b>Total borrowings</b>	<b>1,36,360.00</b>	<b>1,45,124.00</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

**(b) Sensitivity**

Profit is sensitive to change in interest rates. The impact of change on profit is as below (holding other variables constant):-

Particulars	0.50% increase in rates		0.50% decrease in rates	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Impact on Cost (on Borrowings)	(286.18)	(305.00)	286.18	305.00
Impact on Earnings (on Standard Loans)	953.58	874.36	(953.58)	(874.36)
<b>Increase/(decrease) in Profit</b>	<b>667.40</b>	<b>569.36</b>	<b>(667.40)</b>	<b>(569.36)</b>

**(iii) Price risk****(a) Exposure**

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss

To manage its price risk arising from investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company

**(b) Sensitivity**

Company has no investment in indexed linked equity hence, sensitivity not required to be disclosed.

Profit for the period would increase/decrease as a result of gains/losses on equity securities classified as fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity instrument classified as fair value through other comprehensive income.

**42 Capital Management (Ind AS -1)**

The primary objective of the Company's capital management policy is to ensure compliance with regulatory capital requirements. In line with this objective, the Company ensures adequate capital at all times and manages its business in a way in which capital is protected, satisfactory business growth is ensured, cash flows are monitored, borrowing covenants are honoured and ratings are maintained.

Regulatory capital-related information is presented as part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels. In accordance with such norms, Tier I capital of the company comprises of share capital, share premium, reserves and perpetual debt, Tier II capital comprises of subordinated debt and provision on loans that are not credit-impaired. There were no changes in the capital management process during the periods presented.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

## 43 Tax Expense (Ind AS - 12)

## (i) Movement of Deferred Tax

Particulars	Net balance as at 31 March 2020	Recognised in profit or loss	Recognised in OCI	Net balance as at 31 March 2021
<b>Deferred Tax Asset</b>				
a) Allowance for doubtful debts and advances	614.00	10.64	-	624.64
b) Allowance for diminution in value of investments	323.92	(6.40)	-	317.52
<b>Deferred Tax Liabilities</b>				
a) Depreciation	(233.03)	8.13	-	(224.90)
<b>Total</b>	<b>704.89</b>	<b>12.37</b>	<b>-</b>	<b>717.26</b>

## (ii) Tax recognised in Statement of profit and loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current Income Tax	1,923.00	1,625.00
Deferred Tax (Net)	(12.37)	18.49
<b>Total</b>	<b>1,910.63</b>	<b>1,643.49</b>

## (iii) Reconciliation of income tax expense at tax rate applicable to tax expenses recognised.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax	9,985.37	9,745.30
Applicable Income Tax Rate u/s 115BAA	25.17%	25.17%
Income Tax at Applicable Tax Rates	2,513.32	2,452.89
<b>Adjustments</b>		
- Tax Impact of Exempt Income	(90.44)	(121.41)
- Deductions/adjustments as per Income Tax Act	(499.88)	(706.48)
Income Tax expense recognised in P&L	1,923.00	1,625.00
Actual effective Tax Rate	19.26%	16.67%

## 44 Approval of Financial Statements (Ind AS - 10)

These financial statements are approved by the Board of Directors and authorized for issue on May 31, 2021

## 45 Recent Accounting Pronouncements (Ind AS - 8) : NIL

## 46 Non-current Assets Held for Sale (Ind AS - 105)

The company has property consisting Land & Building having carrying value of ₹530.99 lakhs (Land ₹133.84 lakh & building ₹397.15 lakh) as on 31 March 2021 at "Mussoorie". The company is in the process to sale of this asset, accordingly the property has been classified as "Non-current asset held for Sale". The estimated market value of this property is ₹750.00 lakh and the appropriation of its sale proceeds shall be subject to the decision on our appeal in MPID Court/Bombay High Court.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

## 47 Revenue from Contracts with Customers (Ind AS - 115)

## Component wise revenue of Company

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest Income	24,760.58	24,022.53
Dividend Income	69.69	35.70
Fees and Commission Income	730.46	1,049.09
Net gain on fair value changes on investments	284.48	532.85
Other Operating Income	-	635.00
<b>TOTAL</b>	<b>25,845.21</b>	<b>26,275.17</b>

## 48 Maturity Analysis of Assets &amp; Liabilities (Ind AS - 1)

Particulars	Note No.	As at 31 March 2021		As at 31 March 2020	
		Current	Non Current	Current	Non Current
<b>ASSETS</b>					
<b>(1) Financial Assets</b>					
(i) Cash and cash equivalents	3	1,616.12	-	18,837.43	-
(ii) Bank balances other than (i) above	4	201.42	-	223.14	-
(iii) Receivables	5				
- Other Receivables		25.64	-	23.76	-
(iv) Loans & Advances	6	23,164.81	1,71,226.62	15,152.87	1,61,035.73
(v) Investments	7	10,198.06	5,678.78	362.00	21,492.41
(vi) Other financial assets	8	1,403.17	48.09	2,139.03	28.58
		36,609.22	1,76,953.49	36,738.23	1,82,556.72
<b>(2) Non-Financial Assets</b>					
(i) Current tax assets (Net)	9	99.14	1,792.84	432.07	1,360.77
(ii) Deferred tax assets (Net)	10	-	717.26	-	704.89
(iii) Property, Plant and Equipment	11	-	1,426.38	-	1,461.21
(iv) Other Intangible Assets	11	-	1.14	-	-
(v) Right of Use Assets	12	-	222.19	-	288.85
(vi) Other non-financial assets	13	127.43	8.47	135.49	169.09
		226.57	4,168.28	567.56	3,984.81
<b>(3) Assets classified as held for sale</b>		-	530.99	-	530.99
<b>TOTAL ASSETS</b>		<b>36,835.79</b>	<b>1,81,652.76</b>	<b>37,305.79</b>	<b>1,87,072.52</b>
<b>LIABILITIES AND EQUITY</b>					
<b>(1) Financial Liabilities</b>					
(i) Payables					
- Other Payables	14	5.71	-	5.71	-
total outstanding dues of creditors other than micro enterprises and small enterprises					
(ii) Debt Securities	15	19,995.20	58,982.48	4,998.73	78,939.91
(iii) Borrowings (Other than Debt Securities)	16	23,486.26	33,497.47	19,750.00	41,006.06
(iv) Other financial liabilities	17	2,268.70	768.39	3,343.74	735.24
		45,755.87	93,248.34	28,098.18	1,20,681.21
<b>(2) Non-Financial Liabilities</b>					
(i) Provisions	18	238.71	-	170.47	-
(ii) Other Non-financial liabilities	19	83.01	-	76.27	-
		321.72	-	246.74	-
<b>(3) Equity</b>					
(i) Equity Share Capital	20	-	8,071.67	-	8,071.67
(ii) Other Equity	21	-	71,090.95	-	67,280.51
		-	79,162.62	-	75,352.18
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>46,077.59</b>	<b>1,72,410.96</b>	<b>28,344.92</b>	<b>1,96,033.39</b>



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
49	<b>The additional information required to be disclosed vide RBI norms - as certified by the management</b>		
	<b>1 Rating Assigned By Credit Rating Agencies for the Bonds/Borrowings of TFCI</b>		
	- Care Ratings Ltd (CARE)	CARE A+ (reaffirmed vide letter dated 05.03.2021)	
	- Brickworks Ratings (India) Pvt. Ltd.	BWR A+ (downgraded vide letter dated 27.05.2020)	
	- Acuite Rating & Research Ltd	ACUITE AA- (reaffirmed vide letter dated 02.03.2021)	
	<b>Migration</b>		
	- Nil		
	<b>2 No Penalty is levied by any regulator during the year.</b>		
	<b>3 Capital</b>		
	i) CRAR (%)	39.87%	37.56%
	ii) CRAR - Tier I Capital (%)	39.33%	37.15%
	iii) CRAR - Tier II Capital (%)	0.54%	0.41%
	iv) Amount of Subordinate debt raised as Tier-II Capital	Nil	Nil
	v) Amount raised by issue of perpetual debt instruments	Nil	Nil
	<b>4 Investments</b>		
	- TFCI does not hold any Investments Outside India		
	1) Value of Investments		
	(a) Gross Value of Investments	16,508.61	22,649.52
	(b) Fair Value Changes(Net)	(631.77)	(795.11)
	(c) Net Value of Investments	15,876.84	21,854.41
	2) Movement in fair value changes of Investments (Net)		
	(a) Opening Balance	(795.11)	83.52
	(b) Add: Increase in Value	272.99	71.17
	(c) Less: Decrease in Value	(109.65)	(949.80)
	(d) Closing Balance	(631.77)	(795.11)
	<b>5 Derivatives</b>		
	Exposure to Derivative Instruments/Products	Nil	Nil
	<b>6 Securitisation</b>		
	<b>A. Details of SPVs Sponsored for Securitisation of Assets</b>		
	SPVs Sponsored	Nil	Nil
	<b>B. Details of Financial Assets sold to Securitisation / Reconstruction Company for Assets Reconstruction</b>		
	No. of Accounts Sold	Nil	1
	Aggregate value (net of provisions) of accounts sold	Nil	4,122.13
	Aggregate consideration	Nil	4,122.13
	Aggregate gain / loss over net book value	Nil	Nil
	<b>C. Details of Assignment transaction undertaken</b>		
	Assignment transaction undertaken	Nil	Nil
	<b>D. Details of Non-performing financial assets purchased/sold</b>		
	1) Non-performing financial assets purchased	Nil	Nil
	2) Non-performing financial assets sold	Nil	Nil
	<b>7 Exposures</b>		
	<b>A. Exposure to Real Estate Sector (Direct)</b>		
	1) Residential Mortgage	Nil	Nil
	2) Commercial Real Estate		
	- Lending secured by mortgage on commercial real estate	Nil	700.00
	- lending in mortgage backed securities & other exposure	Nil	Nil



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

49 contd.	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
	<b>B. Exposure to Capital Market (Gross)</b>		
	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,356.36	1,377.24
	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
	bridge loans to companies against expected equity flows / issues;	Nil	Nil
	all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	<b>8 Additional Disclosures</b>		
	<b>8.1 Breakup of Provision &amp; Contingencies shown under the head expenditure in profit &amp; loss account</b>		
	1) Provision for Expected Credit Loss / NPA	110.00	2,400.00
	2) Provision Made towards Income Tax	1,923.00	1,625.00
	3) Other Provision and Contingencies (Deferred Tax Liability)	(12.37)	18.49
	<b>8.2 Concentration of Advances and NPAs.</b>		
	<b>8.2.1 Concentration of Advances.</b>		
	1) Total Advances to Twenty Large Borrowers	1,17,933.56	1,08,176.66
	2) Percentage of Advances to Twenty Large Borrowers	59.66%	60.31%
	<b>8.2.2 Concentration of NPAs.</b>		
	1) Total Exposure to Top Four NPA Accounts	6,948.48	4,481.92



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

49 contd.	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020		
	<b>8.2.3 Sector Wise NPAs.</b>				
	<b>Sector</b>	<b>% of NPA to Total Advances in that Sector</b>	<b>% of NPA to Total Advances in that Sector</b>		
	Tourism Sector	4.47%	2.84%		
	Manufacturing Sector	0.00%	2.97%		
	<b>8.3 Movement of NPAs.</b>				
	1) Net NPAs to Net Advances (%)	2.86%	1.63%		
	2) Movement of Gross NPAs				
	(a) Opening Balance	4,481.92	8,713.76		
	(b) Add: Addition During Year	5,222.36	7,774.12		
	(c) Less: Write-off During Year	2,755.80	5,100		
	(d) Less: Upgradation & Recovery During Year	-	6,906.23		
	(e) Closing Balance	6,948.48	4,481.92		
	3) Movement of Net NPAs				
	(a) Opening Balance	2,889.92	4,762.23		
	(b) Add: Addition During Year	4,165.48	2,362.64		
	(c) Less: Write-off, Upgradation & Recovery During Year	1,441.92	4,234.95		
	(d) Closing Balance	5,613.48	2,889.92		
	4) Movement in Provision for ECL (incl NPA/Stage-3 accounts)				
	(a) Opening Balance	3,075.80	4,725.53		
	(b) Add: Provision made during the year*	4,515.80	6,800.00		
	(c) Less: Loans & Investments Written off during the year	4,405.80	8,449.73		
	(d) Closing Balance	3,185.80	3,075.80		
	* Provision includes u/s 36(1)(viiia) of Income Tax Act 1961				
	<b>8.4 Loans and advances availed (including interest due thereon but not paid)</b>				
	<b>Particulars</b>	<b>Outstanding</b>	<b>Overdue</b>	<b>Outstanding</b>	<b>Overdue</b>
	Debentures (Bonds)				
	- Secured	15,974.00	Nil	15,974.00	Nil
	- Unsecured	63,150.00	Nil	68,150.00	Nil
	Deferred Credits	Nil	Nil	Nil	Nil
	Term Loans, WCDL/CC & FCNR(B)	57,236.26	Nil	61,000.00	Nil
	Inter Corporate Deposits	Nil	Nil	Nil	Nil
	Commercial Papers	Nil	Nil	Nil	Nil
	<b>8.5 Break-up of Loans and Advances including bills receivables (Net of provision).</b>				
	<b>Particulars</b>	<b>Amount Outstanding</b>		<b>Amount Outstanding</b>	
	a) Secured	1,94,389.12		1,76,148.08	
	b) Unsecured	2.31		40.52	
	<b>8.6 Break up of Leased Assets and stock on hire and other assets counting towards AFC activities : NIL</b>				
	<b>8.7 Break-up of Investments (Net of Provision)</b>				
	<b>Investment in Debt securities</b>				
	- at amortised cost	9,271.92		15,327.01	
	- at fair value through P&L	-		62.23	





NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

49 contd.	Particulars	Year Ended 31 March 2021			Year Ended 31 March 2020		
	<b>Investment in Equity Instruments</b>						
	- at fair value through OCI			2,114.24			1,974.93
	- at fair value through P&L			4.22			1.72
	- at cost			5.00			5.00
	<b>Investment in Other approved securities</b>						
	- at fair value through P&L			4,481.46			4,483.52
	<b>Total Investment</b>			<b>15,876.84</b>			<b>21,854.41</b>
	<b>8.8 Borrower group-wise classification of assets financed as in (8.5) and (8.6) above</b>						
	Particulars	Amount (Net of Provision)			Amount (Net of 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	194389.11	2.31	194391.43	176148.08	40.52	176188.60
	<b>8.9 Investor group-wise classification of all investments in shares and securities (Both Quoted &amp; Unquoted)</b>						
	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	5.00		5.00	5.00		5.00
	- Companies in Same Group	Nil		Nil	Nil		Nil
	- Other Related Parties	Nil		Nil	Nil		Nil
	ii) Other than Related Parties	15,871.84		16,503.61	21,849.41		22,644.52
	<b>TOTAL</b>	<b>15,876.84</b>		<b>16,508.61</b>	<b>21,854.41</b>		<b>22,649.52</b>
	<b>8.10 Other Information</b>						
	i) Gross Non-Performing Assets						
	- Related parties			Nil			Nil
	- Other than related parties			6,948.48			4,481.92
	ii) Net Non-Performing Assets						
	- Related parties			Nil			Nil
	- Other than related parties			5,613.48			2,889.92
	iii) Assets acquired in satisfaction of debt			Nil			Nil
	<b>8.11 Customer &amp; Investor Complaints</b>						
	a) No. of complaints pending at the beginning of the year			Nil			Nil
	b) No. of complaints received during the year			32			112
	c) No. of complaints redressed during the year			32			112
	d) No. of complaints pending at the end of the year			Nil			Nil
	<b>8.12 Disclosure on Flexible Structuring of Existing Loans</b>						
	Period & No. of Borrowers taken up for flexible structuring	Amount of Loan Taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring			
		Classified as Standard	Classified as NPA	Before Applying flexible structuring	After applying flexible structuring		
	1. Current F.Y. 2019-20 - Nil	-	-	-	-		
	2. Current F.Y. 2020-21 - Nil	-	-	-	-		



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

49 contd.	Particulars	Year Ended 31 March 2021		Year Ended 31 March 2020		
<b>8.13 Disclosures on Liquidity Risk</b>						
<b>8.13.1 Funding concentration based on significant counterparty</b>						
No. of Significant Counterparties		17		17		
Amount		1,12,210.26		1,20,084.00		
% of Total Deposit		N.A.		N.A.		
% of total Liabilities		80.54%		80.58%		
<b>8.13.2 Top 20 large deposits</b>						
Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Companies registered with Reserve Bank of India does not accept public deposit.						
<b>8.13.3 Top 10 Borrowings</b>						
Amount		1,01,140.26		1,09,014.00		
% of total Borrowings		74.17%		75.18%		
<b>8.13.4 Funding concentration based on significant instrument/product</b>						
<b>Name of the instrument/product</b>		<b>Amount</b>	<b>% of Total Liabilities</b>	<b>Amount</b>	<b>% of Total Liabilities</b>	
1. Secured Non-Convertible Debentures		15,974.00	11.47%	15,974.00	10.72%	
2. Unsecured Non-Convertible Debentures		63,150.00	45.33%	68,150.00	45.73%	
3. Term Loans from Bank		51,236.26	36.77%	56,000.00	37.58%	
4. Working Capital Limit/WCDL		6,000.00	4.31%	5,000.00	3.36%	
Total Borrowings		1,36,360.26	97.87%	1,45,124.00	97.38%	
Total Liabilities (Total Liabilities - Equity & other Equity)		1,39,325.93		1,49,026.13		
<b>8.13.5 Stock Ratios</b>						
Particulars		as a % of total			as a % of total	
		public fund	liabilities	assets	public fund	liabilities
Commercial Paper as % of Total Liabilities		-	-	-	-	-
Non-convertible Debentures (Original maturity of less than one year)		-	-	-	-	-
Other Short term liabilities		33.85%	33.13%	21.13%	16.43%	16.00%
		10.63%				
<b>8.13.6 Institutional Set Up for Liquidity Risk Management</b>						
The Liquidity Risk management of the Company is governed by the Liquidity Risk Management Framework and Asset & Liability Management (ALM) Policy approved by the Board. The Board of Directors of the Company has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Risk Management Committee of Directors (RMCD) is responsible for evaluating the overall risks faced by the company including liquidity risks. The Asset Liability Management Committee (ALCO) is responsible for ensuring adherence to the liquidity risk tolerance/limit set by the Board as well as implementing the liquidity risk management strategy. The role of ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk and overseeing the liquidity positions at an entity level.						



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

S.No	Type of Restructuring Assets Classification Details	Under CDR Mechanism				Others				Total								
		Standard	Sub-Doubtful	Loss	Total	Standard	Sub-Doubtful	Loss	Total	Standard	Sub-Doubtful	Loss	Total					
1	Restructured Accounts as on 01.04.2020	-	-	-	-	2	-	-	2	4,208.74	-	-	4,208.74	2	-	-	2	4,208.74
2	Fresh restructuring during the year	-	-	-	-	210.44	-	-	210.44	210.44	-	-	210.44	-	-	-	-	210.44
3	Upgradations to restructured standard	-	-	-	-	3*	-	-	3*	5,736.72	-	-	5,736.72	-	-	-	-	5,736.72
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	-	-	-	-	309.78	-	-	309.78	309.78	-	-	309.78	-	-	-	-	309.78
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figure)	-	-	-	-	5	-	-	5	10,672.86	-	-	10,672.86	5	-	-	-	10,672.86
		-	-	-	-	563.40	-	-	563.40	563.40	-	-	563.40	-	-	-	-	563.40

\* Excluding an account restructured under MSME restructuring scheme of RBI, which was shown as restructured in the previous year for DCCO extension.



NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

49 contd. 10 Details of Provision as per Ind-AS 109 & RBI - IRCAP Norms						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRCAP norms	Difference between Ind AS 109 provisions and IRCAP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	1,80,009.86	1,063.80	1,78,946.06	1,059.55	4.25
	Stage 2	10,705.90	787.00	9,918.90	223.37	563.63
<b>Sub total</b>		<b>1,90,715.76</b>	<b>1,850.80</b>	<b>1,88,864.96</b>	<b>1,282.92</b>	<b>567.88</b>
<b>Non-Performing Assets (NPA)</b>						
Sub standard	Stage 3	5,222.36	1,002.61	4,219.75	522.24	480.37
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	1,726.12	332.39	1,393.73	517.84	(185.45)
More than 3 years	Stage 3	-	-	-	-	-
<b>Sub total for doubtful</b>		<b>6,948.48</b>	<b>1,335.00</b>	<b>5,613.48</b>	<b>1,040.08</b>	<b>294.92</b>
Loss	Stage 3	-	-	-	-	-
<b>Sub total for NPA</b>		<b>6,948.48</b>	<b>1,335.00</b>	<b>5,613.48</b>	<b>1,040.08</b>	<b>294.92</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>Stage 1</b>	<b>1,80,009.86</b>	<b>1,063.80</b>	<b>1,78,946.06</b>	<b>1,059.55</b>	<b>4.25</b>
	<b>Stage 2</b>	<b>10,705.90</b>	<b>787.00</b>	<b>9,918.90</b>	<b>223.37</b>	<b>563.63</b>
	<b>Stage 3</b>	<b>6,948.48</b>	<b>1,335.00</b>	<b>5,613.48</b>	<b>1,040.08</b>	<b>294.92</b>
		<b>1,97,664.24</b>	<b>3,185.80</b>	<b>1,94,478.44</b>	<b>2,323.00</b>	<b>862.80</b>

Note:

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, NBFCs are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and IRCAP norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRCAP as at March 31, 2021 and accordingly, no amount is required to be transferred to impairment reserve.

11 Asset Liability Management Maturity pattern of certain items of assets and liabilities									
Particulars	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	-	-	4,361.26	4,375.00	14,750.00	32,500.00	1,250.00	-	57,236.26
- Market Borrowings	-	-	-	10,000.00	10,000.00	25,650.00	15,974.00	17,500.00	79,124.00
Assets									
- Advances	2,453.09	535.86	247.37	4,198.89	15,729.60	46,754.15	38,570.16	89,175.12	1,97,664.24
- Investments	420.00	730.00	1,500.27	2,594.04	4,953.75	3,714.28	1,783.64	812.62	16,508.61



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

## 50 Commitments

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Capital Commitments	Nil	Nil

51 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, 2021. 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.

## 52 Corporate Social Responsibility(CSR)

## (i) Corporate Social Responsibility (CSR) Expenditure

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Gross amount required to be spend by the company	213.30	213.00
Amount spent during the period on		
i) Construction / acquisition of any assets	-	-
ii) On purposes other than (i) above	213.30	213.00
Total	213.30	213.00

## (ii) Details of Expenditure on Corporate Social Responsibility (CSR)

CSR Project/Activity	Outlay & Spent	
	Year ended 31 March 2021	Year ended 31 March 2020
1. Contribution to PM Cares/Prime Minister's National Relief Fund.	159.22	160.90
2. PARIVAR EDUCATION SOCIETY - towards contribution for supporting education, nutritional and overall development of destitute and needy children.	12.43	10.15
3. Bharat Lok Siksha Parishad (under the ages of Ekal Abhiyan or one village one school) - towards contribution for supporting 25 Ekal Vidyalas.	5.50	5.50
4. Ruchika Social Service Organisation - contribution towards 'School on Wheels' & education material for rural children	6.75	-
5. Friends of Tribal Society - towards contribution for supporting education of Destitute children	25.08	
6. DLF Foundation - SBM Sr. Sec. School - towards 50 tablets to students of economically weaker society for attending online school classes.	4.32	
7. Contribution to AKSHAYA PATRA FOUNDATION - for mid day meal to students of Govt. Schools.	-	7.70
8. Contribution to ARYA KANYA SADAN (AKS) - for part funding for education expenses of girl students in Faridabad, Haryana.	-	5.00
9. Contribution to ISKCON Food Relief Foundation - for purchase of one vehicle for transporting meals to children under mid-day meal project in Gurugram, Haryana.	-	5.75
10. Sulabh Sanitation Mission Foundation - for Renovation/ upgradation of existing Sulabh Toilet Complex at N. M. Joshi Lower Parel, Mumbai	-	18.00
<b>Total</b>	<b>213.30</b>	<b>213.00</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

**53 Auditor Remuneration**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Audit fees (excluding GST)	5.00	5.00
GST Audit Fee (excluding GST)	1.90	-
Certification Fee (excluding GST)	2.38	2.47
<b>Total</b>	<b>9.28</b>	<b>7.47</b>

- 54** In the opinion of the Management, the all Financial Assets, including Loans & Advances, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and necessary provision has been made in the cases wherever it is considered as doubtful.
- 55** Miscellaneous Expenses do not include items of expenses exceeding 1% of the total revenue of the company or Rupees Ten Lakh which ever is higher.
- 56** Figures in Financial Statements have been rounded off to the nearest lakh (except number of shares) and previous years figures have been re-grouped, re-arranged wherever necessary to make them comparable with those of the current year's figures.

**57 Impact of Covid-19 Pandemic**

Consequent to the outbreak of COVID-19 pandemic, the Government of India announced lockdown in March 2020 which was subsequently lifted in a phased manner outside the containment zones. The Covid-19 pandemic contributed to a significant decline in economic activity, including tourism sector wherein the Company has predominant exposure, during the first half of FY21. With improvement in situation and pent-up demand during the second half of FY21 Indian economy registered 0.4% GDP growth in third quarter and estimated 1.3% GDP growth in fourth quarter of FY21. The tourism sector also witnessed green shoots in the second half of FY21 from the demand emanating from domestic leisure & commercial tourist market segments. However, the resurgence of COVID-19 pandemic from March 2021 has again led to lockdown in various parts of the country and slowed down the economy. The extent of its impact on the Company's performance will depend on ongoing and future developments for controlling the gravity of second wave of Covid-19 pandemic, which are at present uncertain. It is pertinent to mention that India is spearheading the largest vaccination drive to control the severity of COVID-19 which is likely to be substantially completed by first half of FY22. Moreover, most of the tourism bodies and hotel experts are of the opinion that hotel/tourism industry is expected to revive in the latter half of the current fiscal. The sustainability of operations and liquidity constraints for most of the assisted concerns/borrowers operating in the tourism sector, to a large extent, have been taken care by RBI COVID-19 Regulatory Package and Emergency Credit Line Guarantee Scheme (ECLGS -1.0/2.0/3.0) of Government of India, which have been extended by the Company, wherever warranted. Based on the current indicators and the future economic scenario, the Company is confident to recover the carrying amount of the loans and investments in the scheduled timelines. The Company also recognizes its commitment towards all the stakeholders including borrowers, investors, lenders, regulators, employees, and the entire eco-system in which it operates. The Company has been taking various measures to provide financial support to eligible borrowers, to honour its repayment obligations to investors/lenders on time and to protect its employees & their families while ensuring business continuity through work from home.

**58 Additional RBI Disclosures**

- (i) In accordance with the RBI guidelines on COVID-19 Regulatory Package vide circulars dated March 27, 2020, April 17, 2020 and May 23, 2020, the Company had offered moratorium on the payment of installments falling due between 1.3.2020 to 31.8.2020 ('moratorium period') to eligible borrowers. In respect of accounts where moratorium benefit



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakh)

was granted, the staging of those accounts as at March 31, 2021 is based on the days past due status considering the benefit of moratorium period as per the aforesaid RBI COVID-19 Regulatory Package guidelines

Details of Accounts where moratorium/deferment was extended in terms of above circulars:-				
No. of Account	Loan Amount	Provision Required as per RBI (staging benefit)	ECL Provision made in books	(Amount in ₹ lakh) Residual Provision as per RBI (staging benefit)
1	5222.36	522.24	1,002.61	-
The account has been downgraded to NPA Category during the year.				

- (ii) As per RBI Circular No.DBR.BP.BC.18/21.04.048/2018-19 dated 1<sup>st</sup> January 2019 and extended guidelines for the same vide RBI Circular No. DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and again extended guidelines for the same vide RBI Notification No. DOR.No.BP.BC.4/21.04.048/2020-21 dated August 6, 2020 on “One-time MSME restructuring”, the details of MSME restructured accounts as on 31<sup>st</sup> March, 2021 are as under

No of Accounts Restructured During Year	Amount (₹ in Lakh)
4	7439.72

- (iii) The Company has not carried out restructuring for any of the borrowers’ loan(s) for the year ended March 31, 2021 under RBI’s Resolution Framework for COVID-19-Related Stress vide circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020
- (iv) No borrower of the Company was eligible for ex-gratia payment in terms of Covid-19 Relief Scheme of Ministry of Finance, Government of India vide its notification dated October 23, 2020
- (v) In accordance with the RBI Circular No. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 and the methodology for calculation of ‘interest on interest’ based on guidance issued by Indian Banks’ Association, the Company has put in place a Board approved policy to refund/adjust interest on interest charged to borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020. The Company has estimated the said amount and made a provision in the financial statements for the year ended March 31, 2021. As on March 31, 2021, the Company holds a specific liability of ₹268.26 lakh which is debited to interest income to meet its obligation towards refund of interest on interest to eligible borrowers as prescribed by the RBI. Accordingly, interest income for the quarter and year ended March 31, 2021 is lower by ₹268.26 lakh
- (vi) The Hon’ble Supreme Court in Writ petition (CIVIL) No 825 of 2020 by Gajendra Sharma Vs Union of India & ANR and other connected matters vide its interim order dated September 03, 2020 had directed that the accounts which were not declared NPA till August 31, 2020 shall not be declared NPA till further orders, pending disposal of the cases by the Hon’ble Supreme Court. During such period, the Company has considered one borrower account with loan outstanding of ₹ 5222.36 lakh in standstill asset classification for financial reporting with ECL provisioning as per Stage-3 categorization. The Hon’ble Supreme Court of India vacated the interim relief granted not to declare accounts of borrowers as NPA vide its judgement in the matter of Small-Scale Industrial Manufacturers Association vs. UOI & Ors. dated March 23, 2021. Accordingly, the Company has downgraded the aforesaid borrower account as NPA in sub-standard category for the quarter and year ended March 31, 2021 in accordance with instructions contained in paragraph 5 of the RBI circular no. RBI/2021-22/17DOR.STR.REC.4/ 21.04.048/ 2021-22 dated April 7, 2021

As per our report of even date  
for Suresh Chandra & Associates  
(Chartered Accountants)  
Firm Reg. No: 001359N

(Anirban Chakraborty)  
Managing Director & CEO

(S.Ravi)  
Non-Executive Chairman

(Ved Prakash Bansal)  
Partner  
M.No.500369

(Sanjay Ahuja)  
Company Secretary

(Anoop Bali)  
Executive Director & CFO

Date : May 31, 2021  
Place : New Delhi



# INDEPENDENT AUDITORS' REPORT

## To the Members of Tourism Finance Corporation of India Limited Report on the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated financial statements of Tourism Finance Corporation of India Limited ("the Holding Company") and its subsidiary (the company and its subsidiary together referred to as "the group"), which comprise the Consolidated balance sheet as at 31<sup>st</sup> March 2021, and the Consolidated statement of Profit and Loss (including other comprehensive income), Consolidated statement of changes in equity and Consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statements"). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the group as at March 31, 2021, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw your attention to Note No. 58 to the accompanying consolidated financial Statements, which describes the uncertainties due to outbreak of Covid-19 pandemic and the management's assessment of its impact on the business operations of the bank

Our opinion on the financial statements is not modified in respect of the above matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

S. No.	Key Audit Matter	How our audit addressed the key audit matters
1	<p><b>Impairment of Financial Assets based on Expected Credit Loss (ECL)</b> (As described in Note 41 of the Consolidated Financial Statements)</p> <p>The determination of impairment loss against financial assets are based on the expected credit loss model developed by the group based on the guiding principles prescribed under Ind AS 109</p> <p>Recognition and measurement of Impairment loss allowances involve significant management judgement. These includes:</p> <ul style="list-style-type: none"> <li>• Segmentation of the loan portfolio into homogenous pool of borrowers</li> <li>• Identification of exposures where there is a significant increase in credit risk</li> <li>• Completeness and timing of recognition of default, in accordance with the prudential norms on Income Recognition, Asset classification and provisioning pertaining to loan assets</li> <li>• Determination of the 12 months and lifetime probability of default for each of the segments identified and</li> <li>• Loss given default for various exposures based on past trends/experience management estimates</li> </ul> <p>As explained in the notes to the Consolidated financial statements for the year ended March 31, 2021, the management has determined the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The historical loss experience model previously used needed revisions considering the sectoral experiences, current and future economic conditions and the effect of ongoing COVID-19 pandemic event on the customer's business operations/ability to pay dues.</p> <p>Based on such analysis, the group has recorded an allowance aggregating to ₹3185.80 Lakhs as at 31<sup>st</sup> March 2021 as included. the Consolidated financial statements</p> <p>In view of the significance of the amount of loan assets in the financial statements, judgement used by the management in estimating the expected. credit loss and uncertainties due to the ongoing COVID-19 pandemic, we have considered allowance of credit loss as Key Audit Matter.</p>	<p>Read and assessed the group's accounting policies for impairment of Financial assets and their Compliance with Ind AS 109 and the "Governance framework" in line with Reserve Bank of India (RBI) guidance. Understood the group's Expected Credit Loss ('ECL') methodology, the underlying assumptions and performed sample tests to assess the staging of outstanding exposures:</p> <p>Assessed the Exposure at Default used in the impairment calculations on a test basis;</p> <p>Obtained an understanding of the basis and methodology adopted by management to determine 12 month and life-time probability of defaults for various homogenous segments and performed test checks;</p> <p>Obtained an understanding of the basis and methodology adopted by management to determine Loss Given Defaults for various homogenous segments based on past recovery experience, qualitative factors etc., and performed test checks;</p> <p>Assessed the data used in the impairment computation:</p> <p>Understanding management revised processes regarding significant judgments and estimates involved in the impairment computation and additional management overlay provision arising from the effects of the ongoing COVID-19 pandemic, and evaluated the reasonableness thereof;</p> <p>Assessed analytical reviews of disaggregated data to observe any unusual trends warranting additional audit procedures;</p> <p>Reviewed advances including stressed advances on a sample basis with respect to compliance with the RBI Circulars/Guidelines/Judicial pronouncements.</p> <p>Read the Consolidated financial statement disclosures in respect of impairment losses on financial assets, including the specific disclosures made with regard to the impact of ongoing COVID-19 in line with RBI Guidelines.</p>





2	<p><b>Pending litigations with tax authorities</b>                  The group operates in a complex tax environment and is required to discharge direct and indirect tax obligations under various legislations such as Income Tax Act, 1961, the Finance Act, 1994 Goods.                  The tax authorities under these legislations have raised certain tax demands on the group in respect of the past periods. The group has disputed such demands and has appealed against them at appropriate forums. As at March 31, 2021, the group has an amount of ₹152.12 Lakhs pertaining to various pending tax litigations.                  Under Ind AS, the group is required to perform an assessment of the probability of economic outflow on account of such disputed tax matters and determine whether any particular obligation needs to be recorded as a provision in the books of account or to be disclosed as a contingent liability.                  Considering the significant degree of judgement applied by the management in making such assessments and the resultant impact on the Consolidated financial statements, we have considered it to be a key audit matter.</p>	<p>In assessing the exposure of the group for the tax litigations, we have performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the process laid down by the management for performing their assessment taking into consideration past legal precedents, changes in laws and regulations, expert opinions obtained from external tax/legal experts (as applicable);</li> <li>• Assessed the processes and entity level controls established by the group to ensure completeness of information with respect to tax litigations,</li> </ul> <p>we undertook the following procedures:</p> <ul style="list-style-type: none"> <li>• Read communications with relevant tax authorities including notices, demands, orders, etc., relevant to the pending litigations, as made available to us by the management;</li> <li>• Tested the accuracy of disputed amounts from the underlying communications received from tax authorities and responses filed by the group;</li> <li>• Considered the submissions made to appellate authorities and expert opinions obtained by the group from external tax / legal experts (wherever applicable) which form the basis for management's assessment;</li> <li>• Assessed the positions taken by the management in the light of the aforesaid information.</li> <li>• Read the disclosures included in the Consolidated Ind AS Financial Statements in this regard.</li> </ul>
3	<p><b>Modified Audit Procedures carried out in the light of continuing COVID-19 pandemic</b>                  Due to the continuing COVID-19 pandemic, lockdown declared by some of the State Governments and travel restrictions imposed by State Governments/Local Authorities during the period of our audit, audit could not be conducted by visiting the premises.                  As we could not gather audit evidence in person Physically and personal interaction with the officials of the group, we have identified such modified audit procedures as Key Audit Matter.                  Accordingly, our audit procedures were modified to carry out remotely.</p>	<p>As the physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the group through digital medium, emails and remote access to VPN. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.                  Accordingly, we modified our audit procedures as follows:                  Conducted verification of necessary records, Documents electronically through remote access/emails wherever physical access was not possible.                  Carried out verification of scanned copies of the documents, certificates and the related records made available to us through emails and VPN through remote access over secure network of the group. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/ conference calls, emails and similar communication channels.                  Discussions and resolution of audit observations telephonically/ through emails instead of face-to-face interaction with the concerned/designated officials.</p>

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the company's Annual Report but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

**Responsibilities of Management's and those charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the group in accordance with the Ind AS accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view



and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, respective Board of directors of the companies in the group are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so. Those Board of Directors of the companies in the group are also responsible for overseeing the group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements

As part of an audit in accordance with SAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matter**

Attention is drawn to Note No. 57(iii) regarding consolidation of financial statements for the first time for the financial year ended March 31, 2021. The consolidated figures for previous year ended March 31, 2020, as reported in these financial statements have been approved by the holding company's Board of Directors, but have not been subjected to audit.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the group so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act



- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
- g) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate Report in "**Annexure-A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the group's internal financial controls over financial reporting.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The group has disclosed the impact of pending litigations on its financial position in its financial statements
  - ii. The group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts to the financial statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the group

**For Suresh Chandra & Associates**  
Chartered Accountants  
Firm Reg. No: 001359N  
UDIN: 21500369AAAABR3017

**(CA Ved Prakash Bansal)**  
Partner  
M.No.: 500369

Place : New Delhi  
Date : May 31, 2021



**"Annexure- A" to the Independent Auditor's Report on the Consolidated Financial Statements of Tourism Finance Corporation of India Ltd. Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph (g) of "Report on Other Legal and Regulatory Requirements" section**

In conjunction with our audit of the Consolidated Financial Statements of Tourism Finance Corporation of India Ltd. ("the Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting with reference to the consolidated financial statements of the holding company and its subsidiary company which is incorporated in India as of that date.

**Opinion**

In our opinion, the Holding Company and its subsidiary company which is incorporated in India, have adequate internal financial controls system over financial reporting with reference to the consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2021, based on the reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Management's Responsibility for Internal Financial Controls**

The respective Company's Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to Consolidated Financial Statements

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to Consolidated Financial Statements includes those policies procedures that

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial



- statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Suresh Chandra & Associates**  
Chartered Accountants  
Firm Reg. No: 001359N  
UDIN: 21500369AAAABR3017

Place : New Delhi  
Date : May 31, 2021

**(CA Ved Prakash Bansal)**  
Partner  
M.No.: 500369



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(₹ in lakh)

Particulars	Note No.	As at 31 March 2021		As at 31 March 2020	
<b>ASSETS</b>					
<b>(1) Financial Assets</b>					
(i) Cash and cash equivalents	3	1,617.75		18,842.43	
(ii) Bank balances other than (i) above	4	201.42		223.14	
(iii) Receivables	5				
- Other Receivables		25.64		23.76	
(iv) Loans & Advances	6	1,94,391.43		1,76,188.60	
(v) Investments	7	15,871.84		21,849.41	
(vi) Other financial assets	8	1,451.26	2,13,559.34	2,167.61	2,19,294.95
<b>(2) Non-Financial Assets</b>					
(i) Current tax assets (Net)	9	1,891.98		1,792.84	
(ii) Deferred tax assets (Net)	10	717.26		704.89	
(iii) Property, Plant and Equipment	11	1,426.38		1,461.21	
(iv) Other Intangible Assets	11	1.14		-	
(v) Right of Use Assets	12	222.19		288.85	
(vi) Other non-financial assets	13	136.41	4,395.36	304.58	4,552.37
<b>(3) Assets classified as held for sale</b>			530.99		530.99
<b>TOTAL ASSETS</b>		<b>2,18,485.69</b>		<b>2,24,378.31</b>	
<b>LIABILITIES AND EQUITY</b>					
<b>(1) Financial Liabilities</b>					
(i) Payables	14				
- Other Payables					
--total outstanding dues of micro enterprises and small enterprises		-		-	
--total outstanding dues of creditors other than micro enterprises and small enterprises		5.71		5.71	
(ii) Debt Securities	15	78,977.68		83,938.64	
(iii) Borrowings (Other than Debt Securities)	16	56,983.73		60,756.06	
(iv) Other financial liabilities	17	3,037.09	1,39,004.21	4,078.98	1,48,779.39
<b>(2) Non-Financial Liabilities</b>					
(i) Provisions	18	239.60		170.77	
(ii) Other Non-financial liabilities	19	83.01	322.61	76.27	247.04
<b>(3) Equity</b>					
(i) Equity Share Capital	20	8,071.67		8,071.67	
(ii) Other Equity	21	71,087.20	79,158.87	67,280.21	75,351.88
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,18,485.69</b>		<b>2,24,378.31</b>	
				<b>2,09,068.06</b>	

The Notes No. 1 to 59 are integral part of these financial statements

for and on behalf of the Board

As per our report of even date  
for Suresh Chandra & Associates  
(Chartered Accountants)  
Firm Reg. No: 001359N

(Anirban Chakraborty)  
Managing Director & CEO

(S.Ravi)  
Non-Executive Chairman

(Ved Prakash Bansal)  
Partner  
M.No.500369

(Sanjay Ahuja)  
Company Secretary

(Anoop Bali)  
Executive Director & CFO

Date : May 31, 2021  
Place : New Delhi


**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2021**

(₹ in lakh)

Particulars	Note No.	Year Ended 31 March 2021		Year Ended 31 March 2020	
<b>I. Revenue from Operations</b>					
(a) Interest income	22	24,760.58		24,022.53	
(b) Dividend income	23	69.69		35.70	
(c) Fees & commission income	24	730.46		1,049.09	
(d) Net gain/(loss) on fair value changes	25	284.48		532.85	
(e) Other operating income	26	-	25,845.21	635.00	26,275.17
<b>II. Other Income</b>	27		5.48		290.80
<b>III. Total Income (I + II)</b>			<b>25,850.69</b>		<b>26,565.97</b>
<b>Expenses</b>					
(a) Finance costs	28		13,011.58		12,071.55
(b) Employee benefit expenses	29		1,733.11		1,409.50
(c) Depreciation & Amortisation	30		114.86		64.32
(d) Other expenses	31		899.22		875.60
(e) Provision for bad & doubtful debts/write off/impairment of investment		4,515.80		6,800.00	
Less: Withdrawal from special reserve u/s 36(1)(viii) of I.T. Act		4,405.80	110.00	4,400.00	2,400.00
<b>IV. Total Expenses</b>			<b>15,868.77</b>		<b>16,820.97</b>
<b>V. Profit before exceptional items and tax (III - IV)</b>			<b>9,981.92</b>		<b>9,745.00</b>
<b>VI. Exceptional Items</b>			-		-
<b>VII. Profit/(loss) before tax (V-VI)</b>			<b>9,981.92</b>		<b>9,745.00</b>
<b>VIII. Tax expense:</b>					
(a) Current Tax		1,923.00		1,625.00	
(b) Deferred Tax		(12.37)	1,910.63	18.49	1,643.49
<b>IX. Profit/(Loss) from continuing operations (VII - VIII)</b>			<b>8,071.29</b>		<b>8,101.51</b>
<b>X. Profit/(Loss) from discontinuing operations</b>			-		-
<b>XI. Tax expense of discontinuing operations</b>			-		-
<b>XII. Profit/(Loss) from Discontinuing operations (after tax) (X-XI)</b>			-		-
<b>XIII. Profit/(Loss) for the period (IX + XII)</b>			<b>8,071.29</b>		<b>8,101.51</b>
<b>XIV. Other Comprehensive Income</b>					
(i) Items that will not be reclassified to profit or loss					
- Remeasurements of the defined benefit plans			5.62		(42.17)
Less: Deferred Tax on above			-		-
(ii) Items that will be reclassified to profit or loss					
-Gain /(Loss) on change in fair valuation of investments in equity shares/debt instrument			174.89		179.62
<b>Other Comprehensive Income</b>			<b>180.51</b>		<b>137.45</b>
<b>XV. Total Comprehensive Income for the period (XIII + XIV)</b>			<b>8,255.25</b>		<b>8,239.26</b>
<b>XVI. Profit for the year attributable to Equity holders of</b>					
(i) Parent			8,071.29		8,101.51
(ii) Non-controlling interest			-		-
<b>XVII. Total comprehensive income for the year attributable to Equity holders of</b>					
(i) Parent			8,251.80		8,238.96
(ii) Non-controlling interest			-		-
<b>XVI. Earnings per equity share :</b>					
(1) Basic			10.00		10.04
(2) Diluted			10.00		10.04

The Notes No. 1 to 59 are integral part of these financial statements

for and on behalf of the Board

As per our report of even date  
for Suresh Chandra & Associates  
(Chartered Accountants)  
Firm Reg. No: 001359N

(Anirban Chakraborty)  
Managing Director & CEO

(S.Ravi)  
Non-Executive Chairman

(Ved Prakash Bansal)  
Partner  
M.No.500369

(Sanjay Ahuja)  
Company Secretary

(Anoop Bali)  
Executive Director & CFO

Date : May 31, 2021  
Place : New Delhi



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(₹ in lakh)

1 Equity Share Capital

Particulars	As at	
	31 March 2021	31 March 2020
Balance at Beginning of the Year	8,071.67	8,071.67
Issued During Period	-	-
Brought Back During Period	-	-
Balance at End of the Year	8,071.67	8,071.67

2 Other Equity

Particulars	Reserve & Surplus						Equity Instruments through OCI	Total as at 31 March 2021
	Retained Earnings	Capital Reserve	Securities Premium Reserve	Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	Special Reserve u/s 45IC of RBI Act, 1934	General Reserve		
<b>Balance as at 01 April 2020</b>	7,217.53	11.55	6,271.43	18,455.33	13,377.07	21,120.04	827.56	67,280.51
Profit for the Period	8,074.74	-	-	-	-	-	-	8,074.74
Other Comprehensive Income	5.62	-	-	-	-	-	174.89	180.51
<b>Total Comprehensive Income</b>	<b>15,297.89</b>	<b>11.55</b>	<b>6,271.43</b>	<b>18,455.33</b>	<b>13,377.07</b>	<b>21,120.04</b>	<b>1,002.45</b>	<b>75,535.76</b>
Add: Transfer to reserve during the period	-	-	-	1,833.00	1,615.00	2,200.00	-	5,648.00
Add: Reclassification of Realised gain from OCI to reserves	14.73	-	-	-	-	-	(14.73)	-
<b>Less: Appropriations</b>								
- Transfer to general Reserve	(2,200.00)	-	-	-	-	-	-	(2,200.00)
- Transfer to Special Reserve under Section 36(1)(viii) of the Income Tax Act 1961	(1,833.00)	-	-	-	-	-	-	(1,833.00)
- Provision Under Section 45 IC of RBI Act, 1934	(1,615.00)	-	-	-	-	-	-	(1,615.00)
- Payment of Dividend (incl tax thereon)	-	-	-	-	-	-	-	-
- Provision u/s 36(1)(viii)(c) of the Income Tax Act 1961	-	-	-	-	-	-	-	-
<b>Less: Adjustments / withdrawal</b>								
- Amortisation of transaction cost of bonds	-	-	(39.01)	-	-	-	-	(39.01)
- Utilised/Withdrawn from Reserve u/s 36(1)(viii)	-	-	-	(4,405.80)	-	-	-	(4,405.80)
<b>Balance as at 31 March 2021</b>	<b>9,664.62</b>	<b>11.55</b>	<b>6,232.42</b>	<b>15,882.53</b>	<b>14,992.07</b>	<b>23,320.04</b>	<b>987.72</b>	<b>71,090.95</b>

Particulars	Reserve & Surplus						Equity Instruments through OCI	Total as at 31 March 2020
	Retained Earnings	Capital Reserve	Securities Premium Reserve	Special Reserve u/s 36(1)(viii) of the Income Tax Act 1961	Special Reserve u/s 45IC of RBI Act, 1934	General Reserve		
<b>Balance as at 01 April 2019</b>	7,262.68	11.55	6,308.94	20,605.33	11,756.07	18,920.04	754.93	65,619.54
Profit for the year	8,101.81	-	-	-	-	-	-	8,101.81
Other Comprehensive Income	(42.17)	-	-	-	-	-	179.62	137.45
<b>Total Comprehensive Income for the year</b>	<b>15,322.32</b>	<b>11.55</b>	<b>6,308.94</b>	<b>20,605.33</b>	<b>11,756.07</b>	<b>18,920.04</b>	<b>934.55</b>	<b>73,858.80</b>
Add: Transfer to reserve during the period	-	-	-	2,250.00	1,621.00	2,200.00	-	6,071.00
Add: Reclassification of Realised gain from OCI to reserves	106.99	-	-	-	-	-	(106.99)	-
<b>Less: Appropriations</b>								
- Transfer to general Reserve	(2,200.00)	-	-	-	-	-	-	(2,200.00)
- Transfer to Special Reserve under Section 36(1)(viii) of the Income Tax Act 1961	(2,250.00)	-	-	-	-	-	-	(2,250.00)
- Provision Under Section 45 IC of RBI Act, 1934	(1,621.00)	-	-	-	-	-	-	(1,621.00)
- Payment of Dividend (incl tax thereon)	(2,140.78)	-	-	-	-	-	-	(2,140.78)
- Provision u/s 36(1)(viii)(c) of the Income Tax Act 1961	-	-	-	-	-	-	-	-
<b>Less: Adjustments / withdrawal</b>								
- Amortisation of transaction cost of bonds	-	-	(37.51)	-	-	-	-	(37.51)
- Utilised/Withdrawn from Reserve u/s 36(1)(viii)	-	-	-	(4,400.00)	-	-	-	(4,400.00)
<b>Balance as at 31 March 2020</b>	<b>7,217.53</b>	<b>11.55</b>	<b>6,271.43</b>	<b>18,455.33</b>	<b>13,377.07</b>	<b>21,120.04</b>	<b>827.56</b>	<b>67,280.51</b>

for and on behalf of the Board

As per our report of even date for Suresh Chandra & Associates (Chartered Accountants) Firm Reg. No: 001359N (Ved Prakash Bansal) Partner (Sanjay Ahuja) M.No.500369 Date : May 31, 2021 Place : New Delhi

(Anirban Chakraborty) Managing Director & CEO

(Anoop Bali) Company Secretary

(S.Ravi) Non-Executive Chairman

Executive Director & CFO




**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**

(₹ in lakh)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	9,981.92	9,745.00
<b>Adjustment for :</b>		
Gain/(Loss) under OCI Section	180.51	137.45
Depreciation & Amortisation	114.86	64.32
Finance Cost on Lease Liability on Right to Use Assets	23.36	8.73
<b>Operating Cash before working capital changes</b>	<b>10,300.65</b>	<b>9,955.50</b>
<b>Adjustment for :</b>		
Decrease/(Increase) in Loans & Advances	(18,202.79)	(11,518.45)
Loan Write-off by Utilisation of Reserve u/s 36(1)(viii) of Income Tax Act	(4,405.80)	(4,400.00)
Decrease/(Increase) in Investments	5,977.57	9,957.76
Decrease/(Increase) in Receivables	(1.88)	(14.54)
Decrease/(Increase) in Other Financial Assets	716.35	475.61
Decrease/(Increase) in Other Non-Financial Assets	218.25	(35.45)
Increase/(Decrease) in Payables	-	312.25
Increase/(Decrease) in Debt Securities	(4,999.97)	-
Increase/(Decrease) in Borrowings	(3,772.33)	22,296.14
Increase/(Decrease) in Subordinate Liabilities	-	(9,999.92)
Increase/(Decrease) in Other Financial Liabilities	(1,020.19)	657.74
Increase/(Decrease) in Provisions	68.83	13.76
Increase/(Decrease) in Other Non-Financial Liabilities	6.74	15.48
<b>Cash Generated from Operation</b>	<b>(15,114.57)</b>	<b>17,715.88</b>
Direct Tax Paid	(2,022.15)	(1,587.25)
<b>Net Cash Flow from Operating Activities</b>	<b>(17,136.72)</b>	<b>16,128.63</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(14.51)	(62.74)
<b>Net Cash used in Investing Activities</b>	<b>(14.51)</b>	<b>(62.74)</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Payment of Dividend and Dividend Distribution Tax	-	(2,140.78)
Payment of Lease Liability on Right to Use Assets	(73.45)	(41.49)
<b>Net Cash used in Financing Activities</b>	<b>(73.45)</b>	<b>(2,182.27)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(17,224.68)	13,883.62
Cash and Cash Equivalent at the Beginning of the Year	18,842.43	4,958.81
Cash and Cash Equivalent at the End of the Year	<b>1,617.75</b>	<b>18,842.43</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash in hand	0.26	0.31
Balance with Banks		
- Current Accounts	85.03	385.70
- Deposit Accounts (Bank Deposits & CD)	1,532.46	18,456.42
<b>Total Cash and Cash Equivalents (Note No. 3)</b>	<b>1,617.75</b>	<b>18,842.43</b>

As per our report of even date  
for Suresh Chandra & Associates  
(Chartered Accountants)  
Firm Reg. No: 001359N

(Ved Prakash Bansal)  
Partner  
M.No.500369

Date : May 31, 2021  
Place : New Delhi

(Anirban Chakraborty)  
Managing Director & CEO

(Sanjay Ahuja)  
Company Secretary

(S.Ravi)  
Non-Executive Chairman

(Anoop Bali)  
Executive Director & CFO

**NOTES FORMING PART OF FINANCIAL STATEMENTS****Financial Statements for Year Ended 31 March 2021****1 Corporate Information**

Tourism Finance Corporation of India Ltd. (TFCI) has been set-up as an All-India Financial Institution, pursuant to the recommendations of “National Committee on Tourism” set-up under the aegis of Planning Commission in 1988. TFCI provides financial assistance by way of rupee term loan, corporate loan and subscription to debentures/equity mainly to tourism sector comprising hotels, resorts, restaurants, food courts, amusement parks, ropeways, multiplexes, etc. and in a limited way to other sectors such as infrastructure, manufacturing, real-estate etc., within the scope of its activities.

**2. Significant Accounting Policies****2.1 Functional and Presentation Currency**

These Consolidated financial statements are presented in Indian Rupees, the national currency of India, which is the functional currency of the Group.

**2.2 Basis of adoption of Financial Statements****2.2.1 Basis of adoption of Financial Statements**

The Consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) notified under Companies (Indian Accounting Standards) Rules, 2015 and as amended further. The Financial Statements are prepared under historical cost convention from the books of accounts maintained on accrual basis except for certain financial instruments (refer note 2.11) which are measured at fair value. Further, the Group continues to follow the Reserve Bank of India (RBI) Directions issued for Non-Banking Financial Companies (NBFC) with respect to preparation & presentation of accounts. Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised Ind AS on an ongoing basis.

**2.2.2 Basis of adoption of Financial Statements**

The Consolidated Financial Statements

relate to Tourism Finance Corporation of India Ltd. (“Parent Company”) and its subsidiary Company (the Parent Company and its subsidiary together referred to as “the Group”).

**(a) Subsidiaries**

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The Subsidiary Company which is included in the consolidation and the Company’s holding therein is as under:

S. No.	Name of the Subsidiary Company	Nature of Relationship	% of holding
1	TFCI Capital Limited	Subsidiary	100%

**2.3 Use of Estimation, Assumption and Judgement**

The key assumption, judgement and estimation at the reporting date, that have significant risk, causing the material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group



based its assumption, judgement and estimation on parameters available on the date when financial statement were prepared. Existing circumstances and assumption about future development, however, may change due to the market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumption when they occur. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

## 2.4 Exceptions

### Derecognition of financial assets and liabilities

The Group has applied Para B2, which permit first-time adopter to apply de-recognition requirements in Ind-AS 109 prospectively for transactions occurring on or after the date of transition to Ind-AS.

### Classification & measurement of financial assets:

The Group has followed classification and measurement of financial assets in accordance with Ind-AS 109 and classification of Financial Instruments have been made on the basis of facts and circumstances that existed at the date of transition to Ind-AS.

### Estimates

The Group made estimates for following items in accordance with Ind-AS:

- Investment in equity instruments carried at FVTPL or FVTOCI;
- Investment in debt instruments carried at FVTPL; and
- Impairment of financial assets based on expected credit loss model

## 2.5 Cost for Property, Plant & Equipment and Intangible Assets

The group has availed exemption under para D7AA of appendix D to Ind-AS 101 which permits a first time adopter to continue with the carrying values for its PPE and intangible assets as at date of transition to Ind-AS measured as per previous IGAAP.

The cost of an item of **Property, Plant & Equipment**, comprises its purchase price, including import duties and non-refundable taxes after deducting trade discounts/rebates and including any directly attributable expenditure to bring the PPE to the location and making it

ready for its intended use. Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the items will flow to the entity and the cost of the item can be reliably measured. Gains or losses arising from de-recognition of items of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized. Major repairs and/or renovation expenditure are capitalized under Ind AS-16 as replacement costs.

An **Intangible Asset** is recognized where it is probable that the future economic benefits attributable to the asset will flow to the group. Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. These assets are amortized on the basis of Straight Line Method over a period of 10 years or its useful life, whichever is lower

## 2.6 Revenue Recognition

For recognition of revenue, the Group adopts the accrual basis except where there is uncertainty as to collection. Revenue is measured at fair value of the consideration received or receivable. Interest income is recognized on a time proportion basis, using the effective interest rate method (EIR) except in case of income on 'Non-Performing Assets' which is recognized on realization basis.

Dividend Income is recognized on right to receive basis. Consultancy 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 lessee.

## 2.7 Depreciation

The depreciable amount of an item of PPE is allocated on a straight line basis over its useful life as prescribed under Schedule II to the Companies Act, 2013.

Each part of an item of PPE with a cost that is significant in relation to the total cost of the asset and useful life of that part is different from remaining part of the asset; such significant part is depreciated separately.

Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis



from the month of such addition or as the case may be up to the month in which such PPE is sold, discarded, demolished or destroyed.

## 2.8 Assets held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met:

- Decision has been made to sell,
- The assets are available for sale in its present condition,
- The assets are being actively marketed, and
- Sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortized.

## 2.9 Impairment - PPE and Intangible Assets

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recoverable amount is the higher of fair value less costs of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

At the end of each reporting year, the group reviews the carrying amounts of its tangible, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

## 2.10 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). All of the Group's property interests held under

operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties.

Investment properties are measured initially at cost, including transaction costs. After initial recognition, the group measures investment property at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties to be depreciated in accordance to the class of asset that it belongs and the life of the asset shall be as conceived for the same class of asset by the Group.

Though investment property is measured using cost model, the fair value of investment property is disclosed in the notes to accounts.

## 2.11 Financial instruments

### 2.11.1 Financial Assets

The Group shall classify financial assets measured at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through Statement of Profit and Loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument and are initially recognised at fair value and directly attributable transaction costs towards acquisition or issue of the financial asset are added to or deducted from the fair value on initial recognition except for financial assets which are recognised at fair value through profit and loss.

For the purposes of subsequent measurement financial assets are classified in the following categories:

- Amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest
- Fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal



and/or interest but also from the sale of such assets.

- Fair value through profit or loss (FVTPL), where the financial assets are not classified either at amortized cost or FVTOCI.

Financial Assets include Investments in equity/preference share, Bonds/debentures or Security receipts, Loans, Security Deposits, Cash & cash equivalents etc.

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired.

In case of short-term financial assets, carrying value is considered to be its fair value.

**2.11.2 Impairment**

The Group as permitted by Ind-AS 101, has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk as at the year end.

The Group at each reporting year end tests a financial asset or a group of financial assets (other than financial assets held at fair value through profit or loss) for impairment based on evidence or information that is available without undue cost or effort. Expected credit loss (ECL) is assessed and impairment loss recognized if the credit risk of the financial asset is significantly increased.

The impairment losses and reversals are recognized in statement of profit and loss.

Impairment model under Ind AS-109 applies to financial instruments as listed below:

- Financial assets that are debt instruments measured at Amortized Cost (AC)
- Equity investments are measured at Fair Value Through Other Comprehensive Income (FVTOCI)
- Loan commitments not measured at FVTPL (Fair Value Through Profit and Loss)

- Financial guarantee contracts issued in the scope of Ind AS 109 not measured at FVTPL
- Lease receivables in the scope of Ind AS 17.

However, investments in equity shares and financial instruments measured at FVTPL are out of the scope of ECL.

The Group shall at each reporting year test loans given to companies for impairment as per Ind AS- 109 and Impairment Loss/ECL if any shall be charged to Profit & Loss Account. The group can however utilize the provision made under section 36(i)(viii) to write off/ provide for impairment loss. All credit exposures in tourism & non-tourism segments based on the nature of substantive security shall be grouped into 3 categories namely Stage-1, Stage-2 & Stage-3 exposures as enumerated below:

Loan Category (As per Ind - AS 109)	Category	Description of category	Basis for recognition of expected credit loss provision on Category of Loan
Stage 1	Standard Assets (with no overdue or default upto 30 days)	Assets where there has been no significant increase in credit risk since initial recognition.	Stage 1 ECL
Stage 2	- Standard Assets (with overdue between 31 days to 90 days)	Assets where there has been a significant increase in credit risk since initial recognition	12 months ECL
Stage 3	- Non - Performing Assets - Non Performing Restructured Assets	Impaired Asset with increased credit risk	Lifetime ECL

Wherever relaxations in contractual terms have been granted pursuant to regulatory guidelines, such amendment in terms of original sanction would be outside the scope of restructuring.



ECL shall be calculated based on past ten years' data as follows:

$ECL = \text{Exposure at Default at various stages (EAD)} \times \text{Probability of Default (PD)} \times \text{Loss given Default (LGD)}$

All credit exposure shall also be classified into performing and non-performing assets as per RBI guidelines applicable to Non-Banking Financial Companies (NBFCs). The group shall also compute general provision for standard asset and specific provision for sub-standard, doubtful & loss assets as per applicable guidelines and compared the same with Impairment Loss/ECL as per Ind-AS. In case, Impairment Loss is lower than provisions required as per RBI guidelines then difference shall be appropriated from PAT to a separate Impairment Reserve, which shall not be reckoned for regulatory capital.

### 2.11.3 Derecognition

Financial assets are derecognized when the contractual right to receive cash flows from the financial assets expires, or transfers the contractual rights to receive the cash flows from the asset. However, the group can also derecognize the asset in case the management feels that the chances of recovery are fairly remote.

### 2.11.4 Financial Liability

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

The subsequent measurement of financial liabilities depends on their classification, as described below:

Amortized costs, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking

into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

- Fair value through statement of Profit and loss, include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

The carrying value of financial liability is considered to be its fair value in case of Short Term.

## 2.12 Employee Benefits

### 2.12.1 Defined Contribution Plan

#### Employees Provident Fund:

In terms of the Employees Provident and Miscellaneous Provisions Act, 1952, TFCI contributes at the rate of 12% of PF applicable salary (consisting basis salary, dearness allowance & other retaining allowances) payable to each employee covered under the scheme. An equal & matching contribution is payable by each employee. Both employer & employees contributions are deposited with EPFO within the prescribed time period on monthly basis. The entire employer contribution deposited with EPFO is recognized in the financial statement as Employees Benefit Expenses.

### 2.12.2 Defined Benefit Plan

#### Gratuity:

TFCI's gratuity policy provides for 15 days salary for each completed year or part thereof in excess of six months on separation of any employee from TFCI, on retirement or otherwise, after completion of 5 years of continuous services. However, in case of completion of minimum service of 10 years, the gratuity shall be payable @one month salary for each completed year or part thereof in excess of six months limited to maximum ₹ 20.00 lakh or maximum amount provided under the Payment of



Gratuity Act whichever is higher. Further, in case of employment for more than 20 years in TFCI, in addition to above, gratuity shall also be admissible to a sum equal to half month's salary in respect of each year of service or part thereof in excess of six months of service over & above 20 years. As per actuarial valuation, the expense has been recognized in the financial statement as Employees Benefit Expenses.

#### **Leave Encashment:**

TFCI's policy provides for accrual of 1 day of ordinary leave for each 11 days of duty rendered by him/her subject to accumulation of maximum 300 days (ten months). No further ordinary leave can be earned by an employee after he/she has credit of maximum number of the leave. TFCI's ordinary leave policy also provides for encashment of 15 days of such leave in year which is fully taxable. As per actuarial valuation, the expense has been recognized in the financial statement as Employees Benefit Expenses.

Gains/losses due to actuarial revaluation have been shown as other comprehensive income.

### **2.13 Taxation**

Tax expense for the period comprises current tax and deferred tax. Tax recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case the tax is also recognised in other comprehensive income or equity.

#### **2.13.1 Current Tax**

Current tax is the expected tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provision of the Income Tax Act, 1961 and the other applicable tax laws.

#### **2.13.2 Deferred Tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purpose, at the end of the year.

### **2.14 Lease**

In compliance with Ind AS-116 effective from 1<sup>st</sup> April 2019 as notified by MCA, the Group assesses at the time of contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right of use of an identified asset for a period of time in exchange for consideration, the same is considered as lease.

#### **2.14.1 Company as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets which are charged to Profit on straight line basis. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### **(i) Right-of-use assets**

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

##### **(ii) Lease liabilities**

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.



The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**(iii) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. The underlying asset is considered of low value if the lessee can benefit from use of the asset on its own or together with other available resources and the underlying asset is not highly dependent on, or highly inter-related with, other assets. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

**2.14.2 Company as a lessor**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership of the Group is classified as a finance lease.

Lease income from operating leases is recognized in income on a straight-line basis over the lease term of relevant lease.

**2.15 Cash and cash equivalents**

Cash comprises of cash on hand, demand deposits with banks. The Group considers cash equivalents as all short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.16 Borrowing Costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

**2.17 Provisions, Contingent Liabilities and Contingent Assets**

**2.17.1 Provisions**

A provision is recognized if, as a result of a past event, the group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are determined





based on the best estimate required to settle the obligation at the Balance Sheet date.

### **2.17.2 Contingent Liabilities**

Contingent liabilities are not recognized but disclosed in Notes when the group has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the group. Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable, then relative provision is recognized in the financial statements.

### **2.17.3 Contingent Assets**

Contingent Assets are not recognized but disclosed in Notes which usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits.

Contingent assets are assessed continuously to determine whether inflow of economic benefits becomes virtually certain, then such assets and the relative income will be recognized in the financial statement.

### **2.18 Earnings 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.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	As At March 31, 2021		As At March 31, 2020	
3	<b>Cash and Cash Equivalents</b>				
	Cash in hand		0.26		0.31
	Balances with Banks				
	- Current Accounts		85.03		385.70
	- Term Deposits		1,532.46		18,456.42
	<b>TOTAL</b>		<b>1,617.75</b>		<b>18,842.43</b>
4	<b>Bank balances other than (I) above</b>				
	Balance in unclaimed dividend accounts		201.42		223.14
	<b>TOTAL</b>		<b>201.42</b>		<b>223.14</b>
5	<b>Receivables</b>				
	Other Receivables		25.64		23.76
	<b>TOTAL</b>		<b>25.64</b>		<b>23.76</b>
6	<b>Loans &amp; Advances</b>	<b>As at 31 March 2021</b>		<b>As at 31 March 2020</b>	
	<b>I. Secured (Considered Good)</b>				
	(Secured by Mortgage/Hypothecation of Assets)				
	(a) Loan to Companies/LLP.	1,97,664.24		1,79,354.14	
	Less: unamortised Upfront fee received	(292.84)	1,97,371.40	(374.09)	1,78,980.05
	(b) Loan to Employees	309.83		403.33	
	Less: Deferred Employee Benefit Cost	(106.31)	203.52	(159.50)	243.83
	<b>II. Unsecured (Considered Good)</b>				
	(a) Loan to Employees		2.31		40.52
	<b>III. Gross Loans &amp; Advances (I + II)</b>		<b>1,97,577.23</b>		<b>1,79,264.40</b>
	<b>IV. Impairment loss allowance (Expected Credit Loss)</b>				
	- On standard loans (Stage 1 & Stage 2)	1,850.80		1,483.80	
	- On Sub-standard/ Doubtful loans (Stage 3)	1,335.00	3,185.80	1,592.00	3,075.80
	<b>V. Net Loans &amp; Advances (III - IV)</b>		<b>1,94,391.43</b>		<b>1,76,188.60</b>
	<b>Breakup of Gross Loans &amp; Advances (at III above)</b>				
Loans Within India					
- Public Sector		-		-	
- Others		1,97,577.23		1,79,264.40	
Less: Impairment loss allowance (as per IV above)		3,185.80		3,075.80	
Total - Net (as per V above)		1,94,391.43		1,76,188.60	



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

	Investments	Face Value	As at 31 March 2021					As at 31 March 2020						
			No's	Amortised Cost	At Fair Value		Cost	Total	No's	Amortised Cost	At Fair Value		Cost	Total
					Through OCI	Through P/L					Through OCI	Through P/L		
7	<b>Investments</b>													
	<b>I. Debt securities:-</b>													
	<b>a) Investment in bonds/debentures (measured at amortised cost)</b>													
	8.76% IFCI Ltd - Tax Fee Bonds - Series I	10,00,000	265	2,650.27	-	-	-	2,650.27	500	5,000.50	-	-	-	5,000.50
	9.40% IFCI Ltd - Bonds (NCD) - Series III	1,000	150000	1,500.00	-	-	-	1,500.00	150000	1,500.00	-	-	-	1,500.00
	10.49% Bank of Baroda (Vijaya Bank) Series(IV) Perpetual Bonds	10,00,000	250	2,527.61	-	-	-	2,527.61	250	2,527.61	-	-	-	2,527.61
	11.25% Canara Bank (Syndicate Bank) Perpetual Bonds	10,00,000	250	2,594.04	-	-	-	2,594.04	250	2,594.04	-	-	-	2,594.04
	10.99% Union Bank of India (Andhra Bank) Series(III) Perpetual Bonds	10,00,000	-	-	-	-	-	-	200	2,054.86	-	-	-	2,054.86
	10.00% Cox & Kings Ltd	10,00,000	500	-	-	-	-	-	500	1,650.00	-	-	-	1,650.00
	<b>b) Investment in mutual funds (measured at fair value through P&amp;L)</b>													
	Debt Oriented Mutual Funds	-	-	-	-	-	-	-	-	-	-	62.00	-	62.00
	<b>Sub total-I</b>			<b>9,271.92</b>	-	-	-	<b>9,271.92</b>		<b>15,327.01</b>	-	<b>62.00</b>	-	<b>15,389.01</b>
	<b>II. Equity &amp; Preference shares:-</b>													
	<b>a) Investment in Equity instruments (measured at fair value through OCI)</b>													
	Cross Country Hotels Ltd.	10	250000	-	24.63	-	-	24.63	250000	-	24.63	-	-	24.63
	Assets Care & Reconstruction Enterprise Ltd.	10	2856000	-	473.28	-	-	473.28	2856000	-	473.28	-	-	473.28
	Shell Inn International Pvt. Limited	10	6532293	-	653.23	-	-	653.23	6741064	-	674.11	-	-	674.11
	<b>b) Investment in Equity instruments (measured at fair value through P&amp;L)</b>													
	Viceroy Hotels Ltd.	10	200000	-	-	200.00	-	200.00	200000	-	-	200.00	-	200.00
	Punjab Woolcombers Ltd.	10	2500	-	-	0.22	-	0.22	2500	-	-	0.22	-	0.22
	<b>Subtotal-II</b>			-	<b>1,151.14</b>	<b>200.22</b>	-	<b>1,351.36</b>		-	<b>1,172.02</b>	<b>200.22</b>	-	<b>1,372.24</b>
	<b>III. Other approved securities:-</b>													
	<b>a) Investment in Security Receipts (measured at fair value through P&amp;L)</b>													
	Assets Care & Reconstruction Enterprise Ltd 2014-15 - V - Trust Security Receipts (In case of Loan of Kamath Hotels Ltd)	1,00,000	2393	-	-	2,393.00	-	2,393.00	2393	-	-	2,393.00	-	2,393.00
	Assets Care & Reconstruction Enterprise Ltd- 93 Trust (in case of assigned loan of Adlabs Entertainment Ltd)	1	348733268	-	-	3,487.33	-	3,487.33	349027521	-	-	3,490.27	-	3,490.27
	<b>Subtotal-III</b>			-	-	<b>5,880.33</b>	-	<b>5,880.33</b>		-	-	<b>5,883.27</b>	-	<b>5,883.27</b>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

	Investments	Face Value	As at 31 March 2021					As at 31 March 2020						
			No's	Amortised Cost	At Fair Value		Cost	Total	No's	Amortised Cost	At Fair Value		Cost	Total
					Through OCI	Through P/L					Through OCI	Through P/L		
	<b>Gross Investments (Subtotal I+II+III).... (A)</b>		9,271.92	1,151.14	6,080.55	-	16,503.61		15,327.01	1,172.02	6,145.49	-	22,644.52	
	(i) Investment outside India		-	-	-	-	-		-	-	-	-	-	
	(ii) Investment in India		9,271.92	1,151.14	6,080.55	-	16,503.61		15,327.01	1,172.02	6,145.49	-	22,644.52	
	<b>Total</b>		9,271.92	1,151.14	6,080.55	-	16,503.61		15,327.01	1,172.02	6,145.49	-	22,644.52	
	<b>Add: Appreciation in value of investments:-</b>													
	Assets Care & Reconstruction Enterprise Ltd.		-	622.57	-	-	622.57		-	352.96	-	-	352.96	
	Shell Inn International Limited.		-	365.15	-	-	365.15		-	474.57	-	-	474.57	
	Debt Oriented Mutual Funds		-	-	-	-	-		-	-	0.23	-	0.23	
	<b>Sub total (B)</b>		-	987.72	-	-	987.72		-	827.53	0.23	-	827.76	
	<b>Less: Allowance for Impairment loss</b>													
	Cross Country Hotels Ltd.		-	24.62	-	-	24.62		-	24.62	-	-	24.62	
	Assets Care & Reconstruction Enterprise Ltd 2014-15 - V - Trust Security Receipts		-	-	358.95	-	358.95		-	-	358.95	-	358.95	
	Assets Care & Reconstruction Enterprise Ltd- 93 Trust		-	-	1,039.92	-	1,039.92		-	-	1,040.80	-	1,040.80	
	Viceroy Hotels Ltd.		-	-	195.78	-	195.78		-	-	198.28	-	198.28	
	Punjab Woolcombers Ltd.		-	-	0.22	-	0.22		-	-	0.22	-	0.22	
	<b>Sub total (C)</b>		-	24.62	1,594.87	-	1,619.49		-	24.62	1,598.25	-	1,622.87	
	<b>Total Investment - Net (A+B-C)</b>		9,271.92	2,114.24	4,485.68	-	15,871.84		15,327.01	1,974.93	4,547.47	-	21,849.41	

Note1: - Fair value of unquoted equity investment in Assets Care & Reconstruction Enterprise Ltd is based on its last published book value discounted @15%.

Note2:- Fair value of project related unquoted equity investment in Shell Inn International Limited is based on DSV of fixed assets net of outstanding debt discounted @15%.

Note3: - Investment in NCD of Cox & Kings Ltd is Net of Write-off of ₹ 5,000.00 Lakh



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	As at 31 March 2021		As at 31 March 2020	
<b>8</b>	<b>Other Financial Assets</b>				
	Interest accrued on investment		220.20		377.92
	Interest & Other Charges accrued and due on loans and advances		364.75		746.93
	Interest accrued but not due on loans and advances	1,086.48		996.73	
	Less: Liability towards Interest-on-Interest during Moratorium period	268.26	818.22	-	996.73
	Legal Charges Recoverable		18.39		17.45
	Security Deposits	38.17		38.17	
	Less:- Fair value adjustment	(8.47)	29.70	(9.59)	28.58
	<b>TOTAL</b>		<b>1,451.26</b>		<b>2,167.61</b>
<b>9</b>	<b>Current Tax Assets (Net)</b>				
	Advance Income Tax & TDS (Net of Provision for Taxation)		1,891.98		1,792.84
	<b>TOTAL</b>		<b>1,891.98</b>		<b>1,792.84</b>
	<b>Yearwise details of Current Tax Assets</b>				
	Advance Tax & TDS				
	- F.Y. 1994-95		609.04		609.04
	- F.Y. 1995-96		934.32		934.32
	- F.Y. 1996-97		761.17		761.17
	- F.Y. 1997-98		655.12		655.12
	- F.Y. 1998-99		432.18		432.18
	- F.Y. 1999-00		454.88		454.88
	- F.Y. 2000-01		522.97		522.97
	- F.Y. 2001-02		237.85		237.85
	- F.Y. 2002-03		542.76		542.76
	- F.Y. 2003-04		285.32		285.32
	- F.Y. 2004-05		394.35		394.35
	- F.Y. 2005-06		87.88		87.88
	- F.Y. 2006-07		188.18		188.18
	- F.Y. 2007-08		893.05		893.05
	- F.Y. 2008-09		1,256.90		1,256.90
	- F.Y. 2009-10		1,051.56		1,051.56
	- F.Y. 2010-11		1,969.78		1,969.78
	- F.Y. 2011-12		1,232.80		1,232.80
	- F.Y. 2012-13		1,872.73		1,872.73
	- F.Y. 2013-14		2,392.89		2,392.89
	- F.Y. 2014-15		2,033.01		2,033.01
	- F.Y. 2015-16		2,080.48		2,080.48
	- F.Y. 2016-17		2,451.72		2,451.72
	- F.Y. 2017-18		2,645.26		2,645.26
	- F.Y. 2018-19		2,553.67		2,553.67
	- F.Y. 2019-20		2,057.07		2,057.07
	- F.Y. 2020-21		2,022.14		-
	Less: Provison for Taxation				
	- F.Y. 1994-95		(644.62)		(644.62)
	- F.Y. 1995-96		(767.27)		(767.27)
	- F.Y. 1996-97		(520.96)		(520.96)
	- F.Y. 1997-98		(668.44)		(668.44)
	- F.Y. 1998-99		(252.74)		(252.74)



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	As at 31 March 2021		As at 31 March 2020	
	- F.Y. 1999-00		(509.40)		(509.40)
	- F.Y. 2000-01		(301.48)		(301.48)
	- F.Y. 2001-02		(134.27)		(134.27)
	- F.Y. 2002-03		(215.66)		(215.66)
	- F.Y. 2003-04		(358.49)		(358.49)
	- F.Y. 2004-05		(121.67)		(121.67)
	- F.Y. 2005-06		(201.93)		(201.93)
	- F.Y. 2006-07		(342.00)		(342.00)
	- F.Y. 2007-08		(822.25)		(822.25)
	- F.Y. 2008-09		(1,244.93)		(1,244.93)
	- F.Y. 2009-10		(1,449.49)		(1,449.49)
	- F.Y. 2010-11		(1,701.00)		(1,701.00)
	- F.Y. 2011-12		(1,235.00)		(1,235.00)
	- F.Y. 2012-13		(1,887.00)		(1,887.00)
	- F.Y. 2013-14		(2,381.50)		(2,381.50)
	- F.Y. 2014-15		(1,870.00)		(1,870.00)
	- F.Y. 2015-16		(1,807.00)		(1,807.00)
	- F.Y. 2016-17		(2,622.00)		(2,622.00)
	- F.Y. 2017-18		(2,670.00)		(2,670.00)
	- F.Y. 2018-19		(2,450.00)		(2,450.00)
	- F.Y. 2019-20		(1,625.00)		(1,625.00)
	- F.Y. 2020-21		(1,923.00)		-
	<b>Total (Net)</b>		<b>1,891.98</b>		<b>1,792.84</b>
<b>10</b>	<b>Deferred Tax Assets/Liability (Net)</b>				
	<b>Deferred Tax Assets</b>				
	a) Allowance for doubtful debts and advances		624.64		614.00
	b) Allowance for diminution in value of investments		317.52		323.92
	<b>Deferred Tax Liabilities</b>				
	a) Depreciation		(224.90)		(233.03)
	<b>TOTAL</b>		<b>717.26</b>		<b>704.89</b>

Note

No.

11 Property, Plant and Equipment as at 31 March 2021

Particulars	Gross Block			Accumulated Depreciation				Net Block	
	Gross Carry- ing Value as at 01/04/2020	Addi- tion	Disposal/ Adjustments	Gross Carry- ing Value as at 31/03/2021	As at 01/04/2020	Addition for the Period	Disposal/ Adjustments	As at 31/03/2021	Net Carry- ing Value as at 31/03/2021
Tangible									
Building (NBCC Plaza)	1,457.32	-		1,457.32	79.38	26.49		105.87	1,351.45
Furniture & Fixtures	30.96	-		30.96	16.98	1.02		18.00	12.96
Office Equipment	37.13	0.13		37.26	4.11	6.38		10.49	26.77
Electricals	28.08	0.22		28.30	18.16	2.49		20.65	7.65
Computers	27.24	12.96		40.20	8.42	9.20		17.62	22.58
Vehicles	15.19	-		15.19	7.66	2.56		10.22	4.97
<b>Total.....A</b>	<b>1,595.92</b>	<b>13.31</b>	<b>-</b>	<b>1,609.23</b>	<b>134.71</b>	<b>48.14</b>	<b>-</b>	<b>182.85</b>	<b>1,426.38</b>
Intangible									
Computer Software	-	1.20		1.20	-	0.06		0.06	1.14
<b>Total.....B</b>	<b>-</b>	<b>1.20</b>	<b>-</b>	<b>1.20</b>	<b>-</b>	<b>0.06</b>	<b>-</b>	<b>0.06</b>	<b>1.14</b>
<b>Grand Total..(A+B)</b>	<b>1,595.92</b>	<b>14.51</b>	<b>-</b>	<b>1,610.43</b>	<b>134.71</b>	<b>48.20</b>	<b>-</b>	<b>182.91</b>	<b>1,427.52</b>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

As At March 31, 2020									
Particulars	Gross Block			Gross Carry- ing Value as at 31/03/2020	Accumulated Depreciation			As at 31/03/2020	Net Block
	Gross Carry- ing Value as at 01/04/2019	Addi- tion	Disposal / Adjustments		As at 01/04/2019	Addition for the Period	Disposal / Adjustments		Net Carry- ing Value as at 31/03/2020
Building (NBCC Plaza)	1,457.32	-		1,457.32	52.89	26.49		79.38	1,377.94
Furniture & Fixture	23.22	7.74		30.96	16.23	0.75		16.98	13.98
Office Equipment	4.77	32.36		37.13	1.24	2.87		4.11	33.02
Electricals	22.12	5.96		28.08	16.77	1.39		18.16	9.92
Computers	10.56	16.68		27.24	5.92	2.50		8.42	18.82
Vehicles	15.19	-		15.19	5.11	2.55		7.66	7.53
<b>Total.....A</b>	<b>1,533.18</b>	<b>62.74</b>	<b>-</b>	<b>1,595.92</b>	<b>98.16</b>	<b>36.55</b>	<b>-</b>	<b>134.71</b>	<b>1,461.21</b>
Intangible									
<b>Total.....B</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total..(A+B)</b>	<b>1,533.18</b>	<b>62.74</b>	<b>-</b>	<b>1,595.92</b>	<b>98.16</b>	<b>36.55</b>	<b>-</b>	<b>134.71</b>	<b>1,461.21</b>

Note No.	Particulars	As At 31 March 2021		As At 31 March 2020	
<b>12</b>	<b>Right to use assets</b>				
	Assets Acquired on Lease		316.62		316.62
	Less: Accumulated Depreciation		(94.43)		(27.77)
	<b>TOTAL</b>		<b>222.19</b>		<b>288.85</b>

<b>13</b>	<b>Other Non-Financial Assets</b>				
	Loans to Staff (Employee benefit cost at fair value)		106.31		159.50
	Prepaid Expenses (including upfront fee on unavailed borrowings)		14.84		135.49
	Deferred cost- (Fair Valuation of Security deposit)		8.47		9.59
	Unavailed Tax Credit of GST		6.79		-
	<b>TOTAL</b>		<b>136.41</b>		<b>304.58</b>

<b>14</b>	<b>Payables</b>				
	1. Trade Payables		-		-
	2. Other Payables				
	- Other Sundry Creditors		5.71		5.71
	<b>TOTAL</b>		<b>5.71</b>		<b>5.71</b>

<b>15</b>	<b>Debt Securities (At Amortised Cost)</b>				
	<b>- Secured</b>				
	(Secured By Hypothecation of Book Debts/future receivables)				
	<b>8.81% Bonds (2025) (Series MB 2015-01)</b>				
	15974 Nos of 8.81% Bonds of ₹ 1,00,000/- each Redeemable at par on 09 November 2025	15,974.00		15,974.00	
	Less- Unamortised Issue Expenses	(65.84)	15,908.16	(77.19)	15,896.81
	Sub-Total				



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	As At 31 March 2021		As At 31 March 2020	
	<b>- Un Secured</b>				
	<b>8.90% Bonds (2020) (Series MB XXXX)</b>				
	500 Nos of 8.90% Bonds of ₹ 10,00,000/- each Redeemable at par on 29 November 2020	-		5,000.00	
	Less- Unamortised Issue Expenses	-	-	(1.27)	4,998.73
	<b>10.15% Bonds (2021) (Series MB XLI)</b>				
	1000 Nos of 10.15% Bonds of ₹ 10,00,000/- each Redeemable at par on 01 September 2021	10,000.00		10,000.00	
	Less- Unamortised Issue Expenses	(2.44)	9,997.56	(7.85)	9,992.15
	<b>10.20% Bonds (2021) (Series MB XLII)</b>				
	1000 Nos of 10.20% Bonds of ₹ 10,00,000/- each Redeemable at par on 16 November 2021	10,000.00		10,000.00	
	Less- Unamortised Issue Expenses	(2.36)	9,997.64	(6.11)	9,993.89
	<b>9.65% Bonds (2022) (Series MB XLIII)</b>				
	565 Nos of 9.65% Bonds of ₹ 10,00,000/- each Redeemable at par on 19 April 2022	5,650.00		5,650.00	
	Less- Unamortised Issue Expenses	(2.73)	5,647.27	(5.58)	5,644.42
	<b>9.95% Bonds (2022) (Series MB XLIV)</b>				
	750 Nos of 9.95% Bonds of ₹ 10,00,000/- each Redeemable at par on 01 July 2022	7,500.00		7,500.00	
	Less- Unamortised Issue Expenses	(5.19)	7,494.81	(8.94)	7,491.06
	<b>9.95% Bonds (2022) (Series MB XLV)</b>				
	750 Nos of 9.95% Bonds of ₹ 10,00,000/- each Redeemable at par on 21 August 2022	7,500.00		7,500.00	
	Less- Unamortised Issue Expenses	(5.32)	7,494.68	(9.08)	7,490.92
	<b>9.50% Bonds (2023) (Series MB XLVI-A)</b>				
	500 Nos of 9.50% Bonds of ₹ 10,00,000/- each Redeemable at par on 25 February 2023	5,000.00		5,000.00	
	Less- Unamortised Issue Expenses	(6.14)	4,993.86	(8.95)	4,991.05
	<b>9.60% Bonds (2028) (Series MB XLVI-B)</b>				
	1000 Nos of 9.60% Bonds of ₹ 10,00,000/- each Redeemable at par on 25 February 2028	10,000.00		10,000.00	
	Less- Unamortised Issue Expenses	(28.95)	9,971.05	(31.83)	9,968.17
	<b>9.65% Bonds (2033) (Series MB XLVI-C)</b>				
	750 Nos of 9.65% Bonds of ₹ 10,00,000/- each Redeemable at par on 25 February 2033	7,500.00		7,500.00	
	Less- Unamortised Issue Expenses	(27.35)	7,472.65	(28.56)	7,471.44
	<b>Total</b>		<b>78,977.68</b>		<b>83,938.64</b>
	Debt Securities in India		78,977.68		83,938.64
	Debt Securities outside India		-		-





## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	As At 31 March 2021		As At 31 March 2020	
16	<b>Borrowings (Other than Debt Securities)</b>	<b>At Amortised Cost</b>		<b>At Amortised Cost</b>	
	- Secured (At Amortised Cost)				
	<i>(Secured By Hypothecation of Book Debts/future receivables)</i>				
	<b>I. Term Loans from State Bank of India</b>	-		6,000.00	
	<i>Less: Unamortised Upfront Fee</i>	-	-	-	6,000.00
	<i>8.65% p.a. repayable by 31.03.2021</i>				
	<i>(12 Quarterly installments starting from 30.06.2018 and ending on 31.03.2021)</i>				
	<b>II. Term Loans from State Bank of India</b>	17,500.00		25,000.00	
	<i>Less: Unamortised Upfront Fee</i>	(24.68)	17,475.32	(52.81)	24,947.19
	<i>8.65% p.a. repayable by 31.03.2023</i>				
<i>(12 Quarterly installments starting from 30.06.2020 and ending on 31.03.2023)</i>					
<b>III. Term Loans from State Bank of India</b>	24,986.26		15,000.00		
<i>Less: Unamortised Upfront Fee</i>	(217.56)	24,768.70	(173.13)	14,826.87	
<i>8.65% p.a. repayable by 31.03.2024</i>					
<i>(12 Quaterly installment starting from 30.06.2021 and ending on 31.03.2024)</i>					
<b>IV. Term Loans from Canara Bank</b>	8,750.00		10,000.00		
<i>Less: Unamortised Upfront Fee</i>	(10.29)	8,739.71	(18.00)	9,982.00	
<i>9.30% p.a. repayable by 25.09.2024</i>					
<i>(16 Quarterly installments starting from 25.12.2020 and ending on 25.09.2024)</i>					
<b>V. Cash Credit/WCDL from State Bank of India</b>		6,000.00		5,000.00	
<b>TOTAL</b>		<b>56,983.73</b>		<b>60,756.06</b>	
Borrowings in India		56,983.73		60,756.06	
Borrowings outside India		-		-	
17	<b>Other Financial Liabilities</b>				
	Interest & Other Charges Accrued but not due on Borrowings		1,816.58		2,226.62
	Unclaimed Dividend		201.42		223.12
	Amount Received Pending Adjustment		250.70		894.00
	Lease Liability against right to use asset		233.77		283.85
	Retention towards DSRA		534.62		451.39
	<b>TOTAL</b>		<b>3,037.09</b>		<b>4,078.98</b>
18	<b>Provisions</b>				
	Provision for Employee Benefits		179.14		111.38
	Provision for Expenses		60.46		59.39
	<b>TOTAL</b>		<b>239.60</b>		<b>170.77</b>
19	<b>Other Non-financial liabilities</b>				
	Statutory Dues		83.01		76.27
	<b>TOTAL</b>		<b>83.01</b>		<b>76.27</b>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	As At 31 March 2021		As At 31 March 2020	
20	<b>Equity Share Capital</b>				
	<b>Authorised Share Capital</b>				
	25,00,00,000 Equity Shares (P. Y. 25,00,00,000) of ₹ 10/- each		25,000.00		25,000.00
	25,00,00,000 Cumulative Redeemable Preference Shares (P. Y. 25,00,00,000) of ₹ 10/- each		25,000.00		25,000.00
	<b>TOTAL</b>		<b>50,000.00</b>		<b>50,000.00</b>
	<b>Issued, subscribed and fully paid</b>				
	8,07,16,748 Equity Shares (P.Y. 8,07,16,748) of ₹ 10/- each Fully Paid Up		8,071.67		8,071.67
	<b>TOTAL</b>		<b>8,071.67</b>		<b>8,071.67</b>
	<b>Reconciliation of Issued Share Capital</b>	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>
	Equity shares outstanding at the beginning of the year	80716748	8,071.67	80716748	8,071.67
	Issued During year	-	-	-	-
	Brought Back During year	-	-	-	-
	Equity shares outstanding at the end of the year	<b>80716748</b>	<b>8,071.67</b>	<b>80716748</b>	<b>8,071.67</b>
	<b>Shareholders holding more than 5% of Shares in the company</b>	<b>No of Shares</b>	<b>% of shares</b>	<b>No of Shares</b>	<b>% of shares</b>
	(a) India Opportunities III Pte Ltd	80,61,597	9.99%	8061597	9.99%
(b) Koppara Sajeeve Thomas	76,86,633	9.52%	4035633	5.00%	
(c) Redkite Capital Private Limited	---	---	7955382	9.86%	
(d) Varanium Dynamic Trust	---	---	4110861	5.09%	
21	<b>Other Equity</b>				
	<b>Reserves and Surplus</b>				
	(i) Capital Reserves		11.55		11.55
	(ii) Security Premium Reserve		6,232.42		6,271.43
	(iii) General Reserve		23,320.04		21,120.04
	(iv) Retained Earnings		9,661.87		7,217.23
	<b>SUB - TOTAL</b>		<b>39,225.88</b>		<b>34,620.25</b>
	<b>Special Reserves</b>				
	(i) Under Section 36(1)(viii) of the Income Tax Act 1961		15,882.53		18,455.33
	(ii) Under Section 45 IC of RBI Act, 1934		14,991.07		13,377.07
	<b>SUB - TOTAL</b>		<b>30,873.60</b>		<b>31,832.40</b>
	<b>Other Reserves</b>				
(i) Equity Instruments through Other Comprehensive Income		987.72		827.56	
<b>SUB - TOTAL</b>		<b>987.72</b>		<b>827.56</b>	
<b>TOTAL</b>		<b>71,087.20</b>		<b>67,280.21</b>	



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	As at 31 March 2021		As at 31 March 2020	
	<b>Reserves and Surplus</b>				
	<b>(i) Capital Reserves</b>				
	Balance at the beginning of the year	11.55		11.55	
	Add: Transfer	-		-	
	Balance at the end of the year		11.55		11.55
	<b>(ii) Security Premium Reserve</b>				
	Balance at the beginning of the year	6,271.43		6,308.94	
	Less: Amortization of transaction cost of bonds	(39.01)		(37.51)	
	Balance at the end of the year		6,232.42		6,271.43
	<b>(iii) General Reserve</b>				
	Balance at the beginning of the year	21,120.04		18,920.04	
	Add: Transfer	2,200.00		2,200.00	
	Balance at the end of the year		23,320.04		21,120.04
	<b>(iv) Retained Earnings</b>				
	Balance at the beginning of the year	7,217.23		7,262.68	
	- Less: Payment of Dividend (Including Tax thereon)	-		(2,140.78)	
	- Add/Less: Other Comprehensive Income directly recognised. (Remeasurement of Actuarial Gain /(Loss))	5.62		(42.17)	
	- Add: Reclassification of Realised gain from OCI to Reserves	14.73		106.99	
	- Add: Profit for the Year	8,071.29		8,101.51	
	<b>Less: Appropriations</b>				
	- Transfer to General Reserve	(2,200.00)		(2,200.00)	
	- Transfer to Special Reserve under Section 36(1)(viii) of the Income Tax Act 1961"	(1,833.00)		(2,250.00)	
	- provision Under Section 45 IC of RBI Act, 1934	(1,614.00)		(1,621.00)	
	Balance at the end of the year		9,661.87		7,217.23
	<b>Special Reserves</b>				
	<b>(i) Under Section 36(1)(viii) of the Income Tax Act 1961</b>				
	Balance at the beginning of the year	18,455.33		20,605.33	
	Add: Transfer	1,833.00		2,250.00	
	Less: Utilised for Write-off	(4,405.80)		(4,400.00)	
	Balance at the end of the year		15,882.53		18,455.33
	<b>(ii) Under Section 45 IC of RBI Act, 1934</b>				
	Balance at the beginning of the year	13,377.07		11,756.07	
	Add: Transfer	1,614.00		1,621.00	
	Less: Written Back in Current period	-		-	
	Balance at the end of the year		14,991.07		13,377.07
	<b>Other Reserves</b>				
	<b>Equity Instruments through Other Comprehensive Income</b>				
	Balance at the beginning of the year	827.56		754.93	
	Add: Other Comprehensive Income	174.89		179.62	
	Less: Reclassification of Realised gain from OCI to reserves	(14.73)		(106.99)	
	Balance at the end of the year		987.72		827.56



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	Year Ended March 31, 2021			Year Ended March 31, 2020		
		On Financial Assets measured at Amortised Cost	On Financial Assets measured Through P&L	On Financial Assets measured Through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured Through P&L	Financial Assets measured Through OCI
<b>22</b>	<b>Interest Income</b>						
	<b>1. Interest on Loans</b>						
	(a) Interest on Loans & Advances	23,271.08	-	-	22,191.19	-	-
	(b) Interest on Loans to Staff	9.66	-	-	14.24	-	-
	(c) Interest on Loans to Staff (due to amortisation of loan at FV)"	16.22	-	-	22.10	-	-
	<b>2. Interest on Investments</b>						
	(a) Interest on investment in bonds	1,255.97	-	-	1,723.37	-	-
	(b) Interest on investment in CD's	-	-	-	1.76	-	-
	(c) Interest on term deposit with banks	205.57	-	-	68.70	-	-
	<b>3. Interest income (due to fair valuation of security deposit)</b>	2.08	-	-	1.17	-	-
	<b>Total</b>	<b>24,760.58</b>	<b>-</b>	<b>-</b>	<b>24,022.53</b>	<b>-</b>	<b>-</b>
<b>23</b>	<b>Dividend Income</b>						
	Dividend Received	-	-	69.69	-	-	35.70
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>69.69</b>	<b>-</b>	<b>-</b>	<b>35.70</b>

Note No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>24</b>	<b>Fees &amp; Commission Income</b>		
	Premium on prepayments of loan	136.28	149.44
	Legal fee	18.98	28.25
	Appraisal and Advisory fee	409.45	792.18
	Management fee	165.75	79.22
	<b>Total</b>	<b>730.46</b>	<b>1,049.09</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	Year Ended	
		March 31, 2021	March 31, 2020
25	<b>Net gain/(loss) on fair value changes</b>		
	<b>Net Gain/(Loss) on financial instruments at fair value through profit or loss</b>		
	(i) On trading portfolio - Investments		
	- Gain/(Loss) on fair valuation of Mutual Funds	-	0.24
	- Gain/(Loss) on fair valuation of Shares	2.50	(8.58)
	(ii) On non-trading portfolio - Investments		
	- Gain/ (Loss) on fair valuation of security receipts	-	(1,280.10)
	<b>Net Gain/(Loss) realised on sale of financial instruments</b>		
	(i) On trading portfolio - Investments		
	- Gain/(Loss) on investment in mutual funds (debt based)	24.41	288.42
- Gain/(Loss) on sale of Bonds/Debentures	242.27	41.30	
(ii) On non-trading portfolio - Investments			
- Gain/ (Loss) on sale of shares	14.42	1,480.32	
(iii) On financial instruments designated at fair value through profit or loss			
- Gain/ (Loss) on redemption of security receipts	0.88	11.25	
<b>Total Net gain/(loss) on fair value changes</b>	<b>284.48</b>	<b>532.85</b>	
<b>Fair Value changes:</b>			
- Realised	281.98	1,821.29	
- Unrealised	2.50	(1,288.44)	
<b>Total</b>	<b>284.48</b>	<b>532.85</b>	
26	<b>Other Operating Income</b>		
	Bad Debt Recovered	-	635.00
	<b>Total</b>	<b>-</b>	<b>635.00</b>
27	<b>Other Income</b>		
	Interest on income tax refund	-	276.34
	Miscellaneous Income	5.48	14.46
	<b>Total</b>	<b>5.48</b>	<b>290.80</b>

Note No.	Particulars	Period ended		Period ended	
		31 March 2020		31 March 2019	
		On Financial liabilities measured at Amortised Cost	On Financial liabilities measured through P&L	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured through P&L
28	<b>Finance Cost</b>				
	Interest on borrowings	4,909.63	-	4,078.00	-
	Interest on debt securities	7,919.72	-	7,918.47	-
	Interest on lease liability	23.36	-	8.73	-
	Other Fee and charges	158.87	-	66.35	-
<b>Total</b>	<b>13,011.58</b>	<b>-</b>	<b>12,071.55</b>	<b>-</b>	



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	Period ended 31 March 2020	Period ended 31 March 2019
<b>29</b>	<b>Employee Benefit Expenses</b>		
	Salaries & Allowances	1,516.57	1,132.68
	Contribution to Provident Fund	98.99	85.66
	Contribution for Gratuity	52.12	37.91
	Contribution for Leave Encashment	33.13	96.51
	Staff Welfare Expenses & Others	16.08	33.91
	Interest on Loans to Staff (due to amortisation of loan at FV)	16.22	22.83
	<b>Total</b>	<b>1,733.11</b>	<b>1,409.50</b>
<b>30</b>	<b>Depreciation</b>		
	Building (NBCC Plaza)	26.49	26.49
	Furniture & Fixtures	1.02	0.75
	Office Equipment	6.38	2.87
	Electricals	2.49	1.39
	Computers	9.20	2.50
	Vehicles	2.56	2.55
	Computer Software	0.06	-
	Right of Use Assets	66.66	27.77
	<b>Total</b>	<b>114.86</b>	<b>64.32</b>
<b>31</b>	<b>Other Expenses</b>		
	Rent Rates & Taxes	10.26	6.87
	Office Upkeep & Maintenance	94.07	124.80
	Insurance Premium	19.89	6.33
	Electricity charges	5.99	5.02
	Travelling and Conveyance	120.54	128.95
	Printing and Stationery	6.15	9.22
	Postage, Telephone and Internet	44.87	33.60
	Advertisement & Publicity	50.58	23.15
	Books & Periodicals	11.08	8.26
	Membership and Subscription	4.38	5.88
	Directors Sitting Fee	30.09	25.65
	Board Meeting Expenses	0.26	19.99
	AGM Expenses	0.01	10.09
	Registrar & Transfer Agent Fee	5.46	5.76
	Listing Fee	7.84	9.50
	Rating Fees	72.69	83.04
	Audit Fee	6.49	6.20
	Legal and Professional Charges	187.25	143.37
	Miscellaneous Expenses	8.02	6.92
	Corporate Social Responsibility(CSR) Expenses	213.30	213.00
	<b>Total</b>	<b>899.22</b>	<b>875.60</b>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

<b>32</b>	<b>Provisions, Contingent Liabilities and Contingent Assets (Ind AS - 37)</b>			
<b>a)</b>	<b>Contingent Liabilities:</b>			
	<b>Particulars</b>	<b>31 March 2021</b>		<b>31 March 2020</b>
	Income Tax		152.12	152.12
	<b>Total</b>		<b>152.12</b>	<b>152.12</b>
	Contingent liabilities not provided for where order of CIT(Appeals)/ITAT, in similar matters, in previous years, are in favour of the TFCL.			
<b>b)</b>	<b>Contingent Assets:</b>			
	<b>Particulars</b>	<b>31 March 2021</b>		<b>31 March 2020</b>
	Contingent Assets		Nil	Nil

<b>33</b>	<b>Effects of changes in Foreign Exchange Rates (Ind AS - 21) : NIL (PY-NIL)</b>
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<b>34</b>	<b>Employee Benefits (IND AS - 19)</b>			
	<b>The summarized position of various defined benefits recognized in the Statement of Profit &amp; Loss, Other Comprehensive Income (OCI) and Balance Sheet &amp; other disclosures.</b>			
	<b>Summary of membership data (Gratuity &amp; Leave Encashment)</b>	<b>31 March 2021</b>		<b>31 March 2020</b>
	Number of Regular employees		39	39
	Total Monthly Salary for gratuity		63.81	71.40
	Total Monthly Salary for leave encashment		105.44	109.74
	Total Monthly Salary for leave availment		105.44	109.74
	Average Past Service (in Years)		13.79	15.40
	Average Age of Employees (in Years)		44.74	45.95
	Average remaining working life (in Years)		15.26	14.05
	Leave balance considered on valuation date (No's)		5344	5988
	Weighted average duration of PBO (in Years)		12.75	12.04

**Balances of defined benefit obligation**

<b>Particulars</b>	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
Defined Benefit Obligation	556.63	416.50	575.73	433.30
Fair Value of Plan Assets	504.34	337.64	560.86	336.79
<b>Net Defined Benefit Assets/(Liabilities)</b>	<b>(52.29)</b>	<b>(78.86)</b>	<b>(14.87)</b>	<b>(96.51)</b>

**Movement in present value of defined benefit obligation**

<b>Particulars</b>	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
Defined benefit obligation at the beginning of the year	575.73	433.30	486.42	328.80
Service cost	51.10	91.07	40.43	63.89
Interest Cost	39.73	29.90	36.97	24.99
Benefits Paid	(104.30)	(73.17)	(30.26)	(17.51)
Total actuarial loss/(gain) on obligation	(5.63)	(64.60)	42.17	33.13
<b>Defined benefit obligation at the end of the period</b>	<b>556.63</b>	<b>416.50</b>	<b>575.73</b>	<b>433.30</b>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

<b>Movement in fair value of plan asset</b>				
<b>Particulars</b>	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
Fair value of plan assets at the beginning of the year	560.86	336.79	519.56	277.08
Actuarial return on the plan assets	38.70	23.23	39.49	21.37
Mortality charges	-	-	-	(1.70)
Recovered from fund	-	-	-	5.83
Employer contribution	9.08	50.78	32.08	51.72
Benefit paid	(104.30)	(73.16)	(30.27)	(17.51)
<b>Fair value of plan assets at end of year</b>	<b>504.34</b>	<b>337.64</b>	<b>560.86</b>	<b>336.79</b>
<b>Amount Recognized in Statement of Profit and Loss</b>				
<b>Particulars</b>	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
Current service cost	51.10	91.07	40.43	63.89
Past Service Cost including Curtailment loss/gain	-	-	-	-
Gain or loss on non-routine settlement	-	-	-	-
<b>Service Cost</b>	<b>51.10</b>	<b>91.07</b>	<b>40.43</b>	<b>63.89</b>
Net interest cost	1.02	6.66	(2.52)	3.93
Net actuarial (gain) / loss recognized in the period	-	(64.60)	-	28.69
<b>Cost Recognized in P&amp;L</b>	<b>52.12</b>	<b>33.13</b>	<b>37.91</b>	<b>96.51</b>
<b>Amount recognized in Other Comprehensive Income (OCI)</b>				
<b>Particulars</b>	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
Net cumulative unrecognised actuarial gain/(loss) - opening balance	-	-	-	-
Actuarial gain/(loss) for the year on PBO	5.62	-	(42.17)	-
Actuarial gain /(loss) for the year on Asset	-	-	-	-
<b>Unrecognised actuarial gain/(loss) at the end of the year</b>	<b>5.62</b>	<b>-</b>	<b>(42.17)</b>	<b>-</b>
<b>Sensitivity Analysis</b>				
Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.				
<b>Assumptions</b>	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
Present Value of Obligation at the end of the period	556.63	416.50	575.73	433.30
Impact due to increase of 0.50% in discount rate	(27.32)	(19.94)	(22.14)	(17.99)
Impact due to decrease of 0.50 % in discount rate	28.31	21.37	23.43	19.20
Impact due to increase of 0.50% in salary	28.95	21.19	23.18	19.04
Impact due to decrease of 0.50 % in salary	(27.95)	(19.98)	(22.89)	(18.03)





NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

<b>Actuarial Assumption</b>				
<b>Particulars</b>	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
Method used	Projected Unit Credit (PUC)		Projected Unit Credit (PUC)	
Discount rate	6.92%	6.92%	6.90%	6.90%
Rate of salary increase	7.00%	7.00%	7.00%	7.00%
<b>Maturity Profile of Defined Benefit Obligation</b>				
<b>Year of payment</b>	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
0 to 1 Year	12.75	11.72	43.96	53.88
1 to 2 Year	8.21	6.70	8.50	6.17
2 to 3 Year	8.15	6.61	8.48	6.17
3 to 4 Year	8.90	6.71	8.45	6.13
4 to 5 Year	42.27	27.57	45.16	28.18
5 to 6 Year	56.14	51.84	35.98	22.69
6 Year onwards	420.21	305.35	425.19	310.08
<b>Category of investment in Plan assets</b>				
<b>Category of Investment</b>	<b>31 March 2021</b>		<b>31 March 2020</b>	
	<b>Gratuity</b>	<b>Leave Encashment</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
	<b>% of fair value of plan assets</b>			
Funds Managed by Insurer	100%	100%	100%	100%

**35 Operating Segments (Ind AS - 108)**

- a) Based on the "Management Approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on an analysis of various performance indicators by business segments. The Managing Director (MD) has been identified as CODM. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual business segment, and are as set out in the significant accounting policies.
- b) The company operates in a single segment namely "Financing and Investment Activities" taking into account the different risks and returns, the organisational structure and the internal reporting systems. With a view to engage in Investment Banking activities, consultancy & advisory services, TFCI Capital Ltd (100% subsidiary of TFCI) has been incorporated by subscribing to Equity Capital of ₹ 5.00 lakh during FY 2019-20. The subsidiary has started operational activities during FY 2020-21. Accordingly, the consolidated annual accounts have been prepared for the first time in FY2020-21.
- c) **Entity-Wide Disclosures-**
  - (i) **Information about major customers**  
The company is not reliant on single customer for revenue and hence revenue from no single external customer amounts to 10 per cent or more of an entity's revenues.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

## (ii) Geographical Information

Revenue from external customers by location of operations and information about its non current assets by location of assets are as follow :-

Particulars	Geographical Location - INDIA			
	Non Current Assets		Revenue from External Customers	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Property, Plant & Equipment	1,427.52	1,461.21	25,845.21	26,275.17
Loans & Advances (Gross)	1,97,577.23	1,79,264.40		
<b>Total</b>	<b>1,99,004.75</b>	<b>1,80,725.61</b>	<b>25,845.21</b>	<b>26,275.17</b>

## (iii) Revenue from Major Products

Revenue from external customers for each product and service are as follow:-

Particulars	31 March 2021	31 March 2020
Interest Income	24,760.58	24,022.53

Company is in the business of providing financial assistance to entities engaged mainly in tourism related projects and derives its major revenue from interest on loans to such entities.

## 36 Earning Per Share (Ind AS - 33)

## a) Basic EPS

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Net Profit Attributable to Equity Shareholders	8,071.29	8,101.51
Weighted Average Number of Equity Shares (No's)	80716748	80716748
Basic Earning Per Share (Face Value ₹10/- each)	10.00	10.04

## b) Diluted EPS

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Net Profit Attributable to Equity Shareholders (₹ in lakh)	8,071.29	8,101.51
Weighted Average Number of Equity Shares (No's)	80716748	80716748
Diluted Earning Per Share (Face Value ₹10/- each)	10.00	10.04

## 37 Dividends (Ind AS - 10)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Dividend Paid During Year	-	1,775.77
Equity Shares (No's)	80716748	80716748
Dividend Per Share (Face Value ₹10/- each)	-	2.20
Dividend(as % of per equity share)	-	22.00%



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

38 Related Part Disclosure (Ind AS -24)

(a) List of Related Party and their Relationship

S r. No.	Name	Relationship	Related Party During	
			2020-21	FY: 2019-20
<b>- Directors &amp; Key Managerial Persons</b>				
1	Shri S. Ravi	Non-Executive Chairman (Independent Director)	✓	✓
2	Shri Shyam Maheshwari	Nominee of India Opportunities III Pte Ltd	✓	✓
3	Shri Koppara Sajeeve Thomas	Promoter Director	✓	✓
4	Shri S.C. Sekhar	Independent Director	✓	✓
5	Shri Bapi Munshi	Independent Director	✓	✓
6	Mrs.Thankom T Mathew	Independent Director	✓	✓
7	Shri R.K. Sood	Representing LIC of India (w.e.f. 30.09.2019)	✓	✓
8	Shri Anirban Chakraborty	Managing Director & CEO (w.e.f. 15.04.2019)	✓	✓
9	Shri B.M.Gupta	Whole Time Director (demised on 26.11.2021)	✓	✓
10	Shri Suman Billa	Nominee Director, Ministry of Tourism, Govt. of India (upto 10.11.2020)	✓	✓
11	Shri Naresh T. Jain	Promoter Director (upto 09.03.2020)	-	✓
12	Shri Niraj Agarwal	Representing LIC of India (upto 13.08.2019)	-	✓
13	Shri S. Sridhar	Independent Director (upto 16.07.2019)	-	✓
14	Shri K.B. Nagendra Murthy	Independent Director (upto 14.07.2019)	-	✓
15	Shri Rudhra Gangadharan I.A.S. (Retd.)	Independent Director (upto 27.06.2019)	-	✓
16	Shri Anoop Bali	Chief Financial Officer	✓	✓
17	Shri Sanjay Ahuja	Company Secretary	✓	✓
18	Shri Vasanth Paulraj (w.e.f. 12.07.2019)	Director - TFCI Capital Ltd	✓	✓
19	Shri Ajit Kumar Dash Choudhury (w.e.f. 04.12.2019)	Director - TFCI Capital Ltd	✓	✓
<b>- Other Related Parties</b>				
1	TFCI Capital Ltd	Subsidiary Company	✓	✓
2	Redkite Capital Pvt. Ltd. (Investing Company)	Associate (upto 24.12.2019) Company with Common Director (upto 9.3.2020)	-	✓
3	UTI Trustee Company Pvt. Ltd.	Company with Common Director (upto 8.7.2020)	✓	✓
4	S. Ravi Financial Management Services Pvt. Ltd.	Company with Common Director	✓	✓
5	GVFL Trustee Company Pvt. Ltd.	Company with Common Director (upto 16.07.2019)	-	✓
6	Universal Trustees Pvt. Ltd.	Company with Common Director (upto 16.07.2019)	-	✓
7	Strategic Research & Information Capital Services Pvt. Ltd.	Company with Common Director (upto 16.07.2019)	-	✓



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

8	Epitome Multitrade Pvt. Ltd.	Company with Common Director (upto 09.03.2020)	-	✓
9	Moneytree Multitrade Pvt. Ltd.	Company with Common Director (upto 09.03.2020)	-	✓
10	Aparjita Mercantile Pvt. Ltd.	Company with Common Director (upto 09.03.2020)	-	✓
11	Epitome Consulting Services Pvt. Ltd.	Company with Common Director (upto 09.03.2020)	-	✓
12	Shapoorji Pallonji Finance Pvt. Ltd.	Company with Common Director (upto 16.03.2020)	-	✓
13	Sunbright Consulting Pvt. Ltd.	Director is Member	✓	✓
14	Varanium Advisory Pvt. Ltd.	Director is Member	✓	✓
15	Essfore Consultancy Services Pvt. Ltd.	Company with Common Director (upto 16.07.2019)	-	✓
16	SBI Payment Services Pvt. Ltd.	Company with Common Director (w.e.f. 28.11.2019)	✓	✓
17	Abhay Capital Services Pvt. Ltd.	Director relative is Member/Director	✓	✓
18	Abhay Financial Consultancy Pvt. Ltd.	Director relative is Member/Director	✓	✓
19	Drishya Education Scholarship Foundation	Director relative is Member/Director	✓	✓
20	Ravi Rajan Consultancy Pvt. Ltd.	Director relative is Member/Director	✓	✓
21	Fidas Tech Pvt. Ltd.	Director relative is Member/Director	✓	✓
22	Benzai10 Investment Ventures Pvt Ltd	Director relative is Member/Director (w.e.f. 25.9.2020)	✓	-

**(b) Transactions with Related Parties**

S r. No.	Name	Nature of Transaction	Year Ended 31 March 2021	Year Ended 31 March 2020
1	Anirban Chakraborty	Salary including perquisites	173.68	208.52
2	B.M. Gupta (upto 26.11.2020) \$	Salary including perquisites	119.99	70.46
3	Anoop Bali	Salary including perquisites	48.29	49.02
4	Sanjay Ahuja	Salary including perquisites	38.93	37.67

**(c) Closing Balances with related Parties**

S r. No.	Name	Nature of Transaction	Year Ended 31 March 2021	Year Ended 31 March 2020
1	Anirban Chakraborty	Gratuity & Leave Encashmet	48.51	31.40
2	B.M. Gupta (upto 26.11.2020)	Gratuity & Leave Encashmet	Nil	74.25
3	Anoop Bali	Gratuity & Leave Encashmet	60.28	56.68
4	Sanjay Ahuja	Gratuity & Leave Encashmet	49.28	46.32

\$ includes retirement benefits paid on untimely demise

**39 Leases (Ind AS 116)**

The company has consistently applied the accounting policies to all periods presented in this financial statement. The company has applied Ind AS 116 with the date of initial application of 1<sup>st</sup> April, 2019 except where the lease rentals per annum were insignificant, which have been charged to P&L A/c on straight line basis over the lease period.

**1. Description of Leases**

The Company's significant leasing arrangements is in respect of leases of premises for office use in Mumbai. The tenure of lease arrangements ranges is for 5 years. Under lease arrangements, refundable interest-free security deposits



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

of ₹ 33.00 lakh has been given. The company has applied the incremental borrowing rate to lease liabilities recognised in the balance sheet at the date of initial application.

## 2. The impact of adoption of Ind AS 116 is as follows :

Particulars	31.03.2021	31.03.2020
Recognition of Rights of Use Assets (Note No. 12)	316.62	316.62
Recognition of Lease Liability (Net) (Note No.17)	233.77	283.85
Increase in finance cost (Note No. 28)	23.36	8.73
Increase in Depreciation (Note No. 30)	(66.66)	(27.77)

## 3. Maturity analysis of lease liabilities

The tables below shows the company's financial liabilities into relevant maturity groupings based on their contractual maturities for undiscounted cash flows.

Maturity analysis – contractual undiscounted cash flows	As at 31 March 2021	As at 31 March 2020
Up to 30/31 Days	6.29	6.00
Over 1 months -2 months	6.29	6.00
Over 2 months -3 months	6.29	6.00
Over 3 months - upto 6 months	18.88	17.98
Over 6 months -upto 1 year	39.34	37.47
Over 1 year & up to 3 years	165.98	158.08
Over 3 & up to 5 years	29.15	114.16
Over 5 years	-	-
Total undiscounted lease liabilities at 31 March 2021	272.22	345.69
Lease liabilities included in the statement of financial position at 31 March 2021	233.77	283.85
Current	77.09	73.45
Non-Current	156.68	210.40

## 4. Amounts recognised in profit or loss

Particulars	Period ended 31 March 2021	Period ended 31 March 2020
Interest on lease liabilities	23.36	8.73
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases	2.22	2.22
Depreciation charge for right-of-use assets by class of underlying asset;	66.66	27.77

## 5. Amounts recognised in the statement of cash flows

Particulars	Period ended 31 March 2021	Period ended 31 March 2020
Total cash outflow for leases	73.45	41.49

## 6. Amounts recognised in the Balance Sheet

Particulars	As at 31 March 2021	As at 31 March 2020
Recognition of Lease Liability - Gross	316.62	316.62
Recognition of Rights of Use Assets - Gross	316.62	316.62



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

40 Fair Value Measurement (IND AS - 113)

Financial instrument by category

A. Particulars	As at 31 March 2021				
	At Amortised Cost	At Fair Value		At Cost	Total
		Through Other Comprehensive Income	Through profit or loss		
<b>Financial assets</b>					
Cash and cash equivalents	1,617.75	-	-	-	1,617.75
Bank balances other than (i) above	201.42	-	-	-	201.42
Other receivables	25.64	-	-	-	25.64
Loans & Advances	1,94,185.60	-	-	-	1,94,185.60
Loan to employees	205.83	-	-	-	205.83
Investment in debt securities	9,271.92	-	-	-	9,271.92
Investment in equity securities	-	2,114.24	4.22	-	2,118.46
Investment in security receipts	-	-	4,481.46	-	4,481.46
Investment in subsidiary	-	-	-	-	-
Other financial assets	1,451.26	-	-	-	1,451.26
<b>Total financial assets</b>	<b>2,06,959.42</b>	<b>2,114.24</b>	<b>4,485.68</b>	-	<b>2,13,559.34</b>
<b>Financial liabilities</b>					
Payables	5.71	-	-	-	5.71
Debt Securities	78,977.68	-	-	-	78,977.68
Borrowings (other than debt securities)	56,983.73	-	-	-	56,983.73
Other financial liabilities	3,037.09	-	-	-	3,037.09
<b>Total financial liabilities</b>	<b>1,39,004.21</b>	-	-	-	<b>1,39,004.21</b>

Particulars	As at 31 March 2020				
	At Amortised Cost	At Fair Value		At Cost	Total
		Through Other Comprehensive Income	Through profit or loss		
<b>Financial assets</b>					
Cash and cash equivalents	18,842.43	-	-	-	18,842.43
Bank balances other than (i) above	223.14	-	-	-	223.14
Other receivables	23.76	-	-	-	23.76
Loans & Advances	1,76,472.95	-	-	-	1,76,472.95
Loan to employees	284.35	-	-	-	284.35
Investment in debt securities	15,327.01	-	62.23	-	15,389.24
Investment in equity securities	-	1,974.93	1.72	-	1,976.65
Investment in security receipts	-	-	4,483.52	-	4,483.52
Other financial assets	2,167.61	-	-	-	2,167.61
<b>Total financial assets</b>	<b>2,13,341.25</b>	<b>1,974.93</b>	<b>4,547.47</b>	-	<b>2,19,863.65</b>
<b>Financial liabilities</b>					
Payables	5.71	-	-	-	5.71
Debt Securities	83,938.64	-	-	-	83,938.64
Borrowings (other than debt securities)	60,756.06	-	-	-	60,756.06
Other financial liabilities	4,078.98	-	-	-	4,078.98
<b>Total financial liabilities</b>	<b>1,48,779.39</b>	-	-	-	<b>1,48,779.39</b>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

B. Particulars	31 March 2021		31 March 2020	
	Fair value at the date of derecognition	Cumulative gain or loss on disposal	Fair value at the date of derecognition	Cumulative gain or loss on disposal
Shell Inn International Pvt. Limited	35.57	29.12	313.93	1,444.34
Balaji Hotels Ltd	-	-	-	(253.91)
<b>Total</b>	<b>35.57</b>	<b>29.12</b>	<b>313.93</b>	<b>1,190.43</b>

Fair value hierarchy

C (i). Financial Instruments Measured and Recognised at Fair Value (FVTOCI & FVTPL).

Particulars	Amount at Fair Value						Valuation Techniques & Significant Inputs
	As at 31 March 2021			As at 31 March 2020			
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
<b>I. FINANCIAL ASSETS</b>							
<b>Financial Investments at FVTOCI</b>							
- Investment in Equity Instruments (refer footnote of Note No.7)	-	-	2,114.24	-	-	1,974.93	Fair value ascertained based on Book Value/Market Value of Securities
<b>Financial Investments at FVTPL</b>							
- Investment in Debt Securities	-	-	-	-	-	-	Open Market Settlement Rate
- Investment in Equity Instruments	4.22	-	-	1.72	-	-	Share Market Quoted Price
- Investment in Security Receipts	-	-	4,481.46	-	-	4,483.52	NAV Declared by SR Trust/ proposal for settlement under consortium
- Investment in Mutual Funds	-	-	-	62.23	-	62.23	NAV Declared by Mutual fund
<b>TOTAL</b>	<b>4.22</b>	<b>-</b>	<b>6,595.70</b>	<b>63.95</b>	<b>-</b>	<b>6,520.68</b>	
<b>II. FINANCIAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

C (ii). Financial Assets and Liabilities Measured at Amortised Cost..

Particulars	Amount at Fair Value						Valuation Techniques & Significant Inputs
	As at 31 March 2021			As at 31 March 2020			
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
<b>I. FINANCIAL ASSETS</b>							
- Loan to Companies/LLP	-	-	1,97,371.40	-	-	1,78,980.05	Effective Interest Rate (EIR).
- Loan to Employees	-	205.83	-	-	284.35	-	NPV at SBI Rate for Perquisite.
- Investment in Debt Securities	-	-	9,271.92	-	-	15,327.01	Effective Interest Rate (EIR).
<b>TOTAL</b>	-	<b>205.83</b>	<b>2,06,643.32</b>	-	<b>284.35</b>	<b>1,94,307.06</b>	
<b>II. FINANCIAL LIABILITIES</b>							
- Debt securities	-	-	78,977.68	-	-	83,938.64	Effective Interest Rate (EIR).
- Borrowings (other than debt securities)	-	-	56,983.73	-	-	60,756.06	Effective Interest Rate (EIR).
<b>TOTAL</b>	-	-	<b>1,35,961.41</b>	-	-	<b>1,44,694.70</b>	

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value are observable and significance to the inputs to the fair value measurement in its entirety, which are described as follows

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date.

C (iii). Table showing Carrying Value and Fair Value of all Financial Assets and Liabilities.

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>I. FINANCIAL ASSETS</b>				
- Cash & cash equivalent	1,819.17	1,819.17	19,065.57	19,065.57
- Receivables	25.64	25.64	23.76	23.76
- Loans & advances	1,97,976.38	1,97,577.23	1,79,797.99	1,79,264.40
- Investments	16,503.61	15,871.84	22,644.52	21,849.41
- Other Financial Assets	1,459.73	1,451.26	2,167.61	2,167.61
<b>TOTAL</b>	<b>2,17,784.53</b>	<b>2,16,745.14</b>	<b>2,23,699.45</b>	<b>2,22,370.75</b>
<b>II. FINANCIAL LIABILITIES</b>				
- Payables	5.71	5.71	5.71	5.71
- Debt securities	79,124.00	78,977.68	84,124.00	78,977.68
- Borrowings(other than debt securities)	57,236.26	56,983.73	61,000.00	60,756.06
- Other financial liabilities	3,037.09	3,037.09	4,078.98	4,078.98
<b>TOTAL</b>	<b>1,39,403.06</b>	<b>1,39,004.21</b>	<b>1,49,208.69</b>	<b>1,43,818.43</b>

The carrying amount of the cash & cash equivalent, receivables, payables, Other financial assets & other financial liabilities are considered as their fair values due to their short term nature.





## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

## 41 Financial Risk Management (Ind AS - 109)

Associated Risk to Company and its Management

Risk	Exposure on which arise	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial asset measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits, credit rating review, hypothecation of assets, Maintaining adequate cash and cash equivalent
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Company has taken the loan at competitive market rates
Market risk- security prices	Investment in equity securities and debt instruments	Sensitivity analysis	Portfolio diversification

## A) Credit risk

i. The company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

## ii. Significant estimates and judgements

**Impairment of financial assets:-**

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's history for past 10 years, existing market conditions as well as forward looking estimates at the end of each reporting period.

Company has adopted policy to recognise impairment loss (ECL) in books and has categorized all loans, in tourism & non-tourism segments based on nature of substantive security, in three stages:

Stage-1 – Standard Assets (with no overdues or default upto 30 days)

Stage-2 – Standard Assets (with overdues between 31 days to 90 days)

Stage-3 – Non-Performing Assets / Restructured Assets - Credit impaired.

ECL is calculated based on past ten years data as follows:-

ECL = Exposure at Default X Probability of Default (PD) X Loss given default (LGD)

Probability of Default (PD):

Stage-1:  $\frac{\text{No of Borrowers moving to Stage-3}}{\text{Total No of Borrowers}} \times \text{Loan Exposure (in \% terms)}$

Stage-2:  $\frac{\text{No of Borrowers moving to Stage-3}}{\text{Total No of Borrowers in Stage-2}} \times \text{(in \% terms)}$

Stage-3: 100% (Since default has already incurred)

Loss given Default: LGD =  $1 - \frac{(\text{PV Recovery} - \text{Cost of recovery})}{\text{Exposure at Default}}$  (in % terms)

Where PV recovery is the sum of discounted cash flows of the recovery made (discounted at weighted average cost of borrowings).

It is presumed that there is increase in credit risk whenever past dues exceed 30 days, however the presumption is rebuttable if there are sufficient and supportable information that demonstrates that the credit risk has not increased despite past overdues exceeding 30 days but less than 60 days, such as availability of tangible security, confirmed availability of buyer/auction price for exceeding the value of the loan asset. All such cases are reviewed by the Audit Committee of the Board before finalisation.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

**iii. Analysis of risk concentration**

The following table shows the risk concentration of the Company's loans.

Particulars	31 March 2021	31 March 2020
Carrying value of Loans to companies	1,97,371.40	1,78,980.05
Mortgage & Assets backed loans	1,97,371.40	1,78,980.05

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main types of collateral obtained are, as follows:

- For project lending to hotel/other tourism sector, Exclusive/Pari-passu charge on project assets alongwith mortgage of land and building and hypothecation of movables.
- For manufacturing lendings, the security cover by means of charge on net fixed assets/project assets of the borrower company should be atleast 1.5 times or by way of charge on collateral immovable assets based on distress sale value Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

Loan to Value (LTV) range	31 March 2021	31 March 2020
Above 100% Coverage	1,97,371.40	1,78,980.05

**B) Liquidity risk**

Liquidity is the risk that suitable sources of funding for Company's business activities may not be available. The Company's objective is to maintain optimum level of liquidity to meet its cash requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It also maintains adequate sources to finance its short term and long term fund requirement suchas overdraft facility and Long term borrowing through domestic market.

**(i) Financing arrangements**

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	31 March 2021	31 March 2020
<b>Floating rate</b>		
- Expiring within one year (bank overdraft and other facilities)	4,000.00	50,000.00

Company has cash credit facility from banks at floating rate of interest which is renewed every year.

**(ii) Maturity profile of financial liabilities**

The tables below analyse the company's financial liabilities into relevant maturity companyings based on their contractual maturities for: all non-derivative financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows:-



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in lakh)

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant :-

Particulars	Contractual maturities of financial liabilities					
	31 March 2021			31 March 2020		
	Bank Borrowings	Market Borrowings	Total	Bank Borrowings	Market Borrowings	Total
1 day to 30/31 days (one month)	-	-	-	5,000.00	-	5,000.00
Over one month to 2 months	-	-	-	-	-	-
Over 2 months upto 3 months	4,361.26	-	4,361.26	3,375.00	-	3,375.00
Over 3 months to 6 months	4,375.00	10,000.00	14,375.00	3,375.00	-	3,375.00
Over 6 months to 1 year	14,750.00	10,000.00	24,750.00	13,000.00	5,000.00	13,000.00
Over 1 year to 3 years	32,500.00	25,650.00	58,150.00	32,500.00	45,650.00	83,150.00
Over 3 years to 5 years	1,250.00	15,974.00	17,224.00	3,750.00	-	3,750.00
Over 5 years	-	17,500.00	17,500.00	-	33,474.00	33,474.00
<b>Total</b>	<b>57,236.26</b>	<b>79,124.00</b>	<b>1,36,360.26</b>	<b>61,000.00</b>	<b>84,124.00</b>	<b>1,45,124.00</b>

**C) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk :- interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings.

**(i) Cash flow and fair value interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the long term loans with floating interest rates. The Company manages its interest rate risk according to its Board approved Interest Rate Risk Management policy'. Market interest rate risk is mitigated by proper review of market conditions, factors etc.

The company's borrowings are carried at amortised cost.

The fixed costs borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**(a) Interest rate risk exposure**

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows :-

Particulars	31 March 2021	31 March 2020
Variable rate borrowings	57,236.00	61,000.00
Fixed rate borrowings	79,124.00	84,124.00
<b>Total borrowings</b>	<b>1,36,360.00</b>	<b>1,45,124.00</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

**(b) Sensitivity**

Profit is sensitive to change in interest rates. The impact of change on profit is as below (holding other variables constant):-

Particulars	0.50% increase in rates		0.50% decrease in rates	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Impact on Cost (on Borrowings)	(286.18)	(305.00)	286.18	305.00
Impact on Earnings (on Standard Loans)	953.58	874.36	(953.58)	(874.36)
<b>Increase/(decrease) in Profit</b>	<b>667.40</b>	<b>569.36</b>	<b>(667.40)</b>	<b>(569.36)</b>

**(iii) Price risk****(a) Exposure**

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss

To manage its price risk arising from investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company

**(b) Sensitivity**

Company has no investment in indexed linked equity hence, sensitivity not required to be disclosed.

Profit for the period would increase/decrease as a result of gains/losses on equity securities classified as fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity instrument classified as fair value through other comprehensive income.

**42 Capital Management (Ind AS -1)**

The primary objective of the Company's capital management policy is to ensure compliance with regulatory capital requirements. In line with this objective, the Company ensures adequate capital at all times and manages its business in a way in which capital is protected, satisfactory business growth is ensured, cash flows are monitored, borrowing covenants are honoured and ratings are maintained.

Regulatory capital-related information is presented as part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels. In accordance with such norms, Tier I capital of the company comprises of share capital, share premium, reserves and perpetual debt, Tier II capital comprises of subordinated debt and provision on loans that are not credit-impaired. There were no changes in the capital management process during the periods presented.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

## 43 Tax Expense (Ind AS - 12)

## (i) Movement of Deferred Tax

Particulars	Net balance as at 31 March 2020	Recognised in profit or loss	Recognised in OCI	Net balance as at 31 March 2021
<b>Deferred Tax Asset</b>				
a) Allowance for doubtful debts and advances	614.00	10.64	-	624.64
b) Allowance for diminution in value of investments	323.92	(6.40)	-	317.52
<b>Deferred Tax Liabilities</b>				
a) Depreciation	(233.03)	8.13	-	(224.90)
<b>Total</b>	<b>704.89</b>	<b>12.37</b>	<b>-</b>	<b>717.26</b>

## (ii) Tax recognised in Statement of profit and loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current Income Tax	1,923.00	1,625.00
Deferred Tax (Net)	(12.37)	18.49
<b>Total</b>	<b>1,910.63</b>	<b>1,643.49</b>

## (iii) Reconciliation of income tax expense at tax rate applicable to tax expenses recognised.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax	9,981.92	9,745.30
Applicable Income Tax Rate u/s 115BAA	25.17%	25.17%
Income Tax at Applicable Tax Rates	2,512.45	2,452.89
<b>Adjustments</b>		
- Tax Impact of Exempt Income	(90.44)	(121.41)
- Deductions/adjustments as per Income Tax Act	(499.01)	(706.48)
Income Tax expense recognised in P&L	1,923.00	1,625.00
Actual effective Tax Rate	19.26%	16.67%

## 44 Approval of Financial Statements (Ind AS - 10)

These financial statements are approved by the Board of Directors and authorized for issue on May 31, 2021

## 45 Recent Accounting Pronouncements (Ind AS - 8) : NIL

## 46 Non-current Assets Held for Sale (Ind AS - 105)

The company has property consisting Land & Building having carrying value of ₹ 530.99 lakhs (Land ₹ 133.84 lakh & building ₹ 397.15 lakh) as on 31 March 2021 at "Mussoorie". The company is in the process to sale of this asset, accordingly the property has been classified as "Non-current asset held for Sale". The estimated market value of this property is ₹ 750.00 lakh and the appropriation of its sale proceeds shall be subject to the decision on our appeal in MPID Court/Bombay High Court.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

47 Revenue from Contracts with Customers (Ind AS - 115)

Component wise revenue of Company

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest Income	24,760.58	24,022.53
Dividend Income	69.69	35.70
Fees and Commission Income	730.46	1,049.09
Net gain on fair value changes on investments	284.48	532.85
Other Operating Income	-	635.00
<b>TOTAL</b>	<b>25,845.21</b>	<b>26,275.17</b>

48 Maturity Analysis of Assets & Liabilities (Ind AS - 1)

Particulars	Note No.	As at 31 March 2021		As at 31 March 2020	
		Current	Non Current	Current	Non Current
<b>ASSETS</b>					
<b>(1) Financial Assets</b>					
(i) Cash and cash equivalents	3	1,617.75	-	18,842.43	-
(ii) Bank balances other than (i) above	4	201.42	-	223.14	-
(iii) Receivables	5				
- Other Receivables		25.64	-	23.76	-
(iv) Loans & Advances	6	23,164.81	1,71,226.62	15,152.87	1,61,035.73
(v) Investments	7	10,198.06	5,673.78	362.00	21,487.41
(vi) Other financial assets	8	1,403.17	48.09	2,139.03	28.58
		36,610.85	1,76,948.49	36,743.23	1,82,551.72
<b>(2) Non-Financial Assets</b>					
(i) Current tax assets (Net)	9	99.14	1,792.84	432.07	1,360.77
(ii) Deferred tax assets (Net)	10	-	717.26	-	704.89
(iii) Property, Plant and Equipment	11	-	1,426.38	-	1,461.21
(iv) Other Intangible Assets	11	-	1.14	-	-
(v) Right of Use Assets	12	-	222.19	-	288.85
(vi) Other non-financial assets	13	127.94	8.47	294.99	9.59
		227.08	4,168.28	727.06	3,825.31
<b>(3) Assets classified as held for sale</b>					
		-	530.99	-	530.99
<b>TOTAL ASSETS</b>		<b>36,837.93</b>	<b>1,81,647.76</b>	<b>37,470.29</b>	<b>1,86,908.02</b>
<b>LIABILITIES AND EQUITY</b>					
<b>(1) Financial Liabilities</b>					
(i) Payables					
- Other Payables	14	5.71	-	5.71	-
total outstanding dues of creditors other than micro enterprises and small enterprises					
(ii) Debt Securities	15	19,995.20	58,982.48	4,998.73	78,939.91
(iii) Borrowings (Other than Debt Securities)	16	23,486.26	33,497.47	19,750.00	41,006.06
(iv) Other financial liabilities	17	2,268.70	768.39	3,343.74	735.24
		45,755.87	93,248.34	28,098.18	1,20,681.21
<b>(2) Non-Financial Liabilities</b>					
(i) Provisions	18	239.60	-	170.77	-
(ii) Other Non-financial liabilities	19	83.01	-	76.27	-
		322.61	-	247.04	-
<b>(3) Equity</b>					
(i) Equity Share Capital	20	-	8,071.67	-	8,071.67
(ii) Other Equity	21	-	71,087.20	-	67,280.21
		-	79,158.87	-	75,351.88
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>46,078.48</b>	<b>1,72,407.21</b>	<b>28,345.22</b>	<b>1,96,033.09</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

Note No.	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
49	<b>The additional information required to be disclosed vide RBI norms - as certified by the management</b>		
	<b>1 Rating Assigned By Credit Rating Agencies for the Bonds/Borrowings of TFCI</b>		
	- Care Ratings Ltd (CARE)	CARE A+ (reaffirmed vide letter dated 05.03.2021)	
	- Brickworks Ratings (India) Pvt. Ltd.	BWR A+ (downgraded vide letter dated 27.05.2020)	
	- Acuite Rating & Research Ltd	ACUITE AA- (reaffirmed vide letter dated 02.03.2021)	
	<b>Migration</b>		
	- Nil		
	<b>2 No Penalty is levied by any regulator during the year.</b>		
	<b>3 Capital</b>		
	i) CRAR (%)	39.87%	37.56%
	ii) CRAR - Tier I Capital (%)	39.33%	37.15%
	iii) CRAR - Tier II Capital (%)	0.54%	0.41%
	iv) Amount of Subordinate debt raised as Tier-II Capital	Nil	Nil
	v) Amount raised by issue of perpetual debt instruments	Nil	Nil
	<b>4 Investments</b>		
	- TFCI does not hold any Investments Outside India		
	1) Value of Investments		
	(a) Gross Value of Investments	16,503.61	22,644.52
	(b) Fair Value Changes(Net)	(631.77)	(795.11)
	(c) Net Value of Investments	15,871.84	21,849.41
	2) Movement in fair value changes of Investments (Net)		
	(a) Opening Balance	(795.11)	83.52
	(b) Add: Increase in Value	272.99	71.17
	(c) Less: Decrease in Value	(109.65)	(949.80)
	(d) Closing Balance	(631.77)	(795.11)
	<b>5 Derivatives</b>		
	Exposure to Derivative Instruments/Products	Nil	Nil
	<b>6 Securitisation</b>		
	<b>A. Details of SPVs Sponsored for Securitisation of Assets</b>		
	SPVs Sponsored	Nil	Nil
	<b>B. Details of Financial Assets sold to Securitisation / Reconstruction Company for Assets Reconstruction</b>		
	No. of Accounts Sold	Nil	1
	Aggregate value (net of provisions) of accounts sold	Nil	4,122.13
	Aggregate consideration	Nil	4,122.13
	Aggregate gain / loss over net book value	Nil	Nil
	<b>C. Details of Assignment transaction undertaken</b>		
	Assignment transaction undertaken	Nil	Nil
	<b>D. Details of Non-performing financial assets purchased/sold</b>		
	1) Non-performing financial assets purchased	Nil	Nil
	2) Non-performing financial assets sold	Nil	Nil
	<b>7 Exposures</b>		
	<b>A. Exposure to Real Estate Sector (Direct)</b>		
	1) Residential Mortgage	Nil	Nil
	2) Commercial Real Estate		
	- Lending secured by mortgage on commercial real estate	Nil	Nil
	- lending in mortgage backed securities & other exposure	Nil	Nil



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

49 contd.	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
	<b>B. Exposure to Capital Market (Gross)</b>		
	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,351.36	1,372.24
	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
	bridge loans to companies against expected equity flows / issues;	Nil	Nil
	all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	<b>8 Additional Disclosures</b>		
	<b>8.1 Breakup of Provision &amp; Contingencies shown under the head expenditure in profit &amp; loss account</b>		
	1) Provision for Expected Credit Loss / NPA	110.00	2,400.00
	2) Provision Made towards Income Tax	1,923.00	1,625.00
	3) Other Provision and Contingencies (Deferred Tax Liability)	(12.37)	18.49
	<b>8.2 Concentration of Advances and NPAs.</b>		
	<b>8.2.1 Concentration of Advances.</b>		
	1) Total Advances to Twenty Large Borrowers	1,17,933.56	1,08,176.66
	2) Percentage of Advances to Twenty Large Borrowers	59.66%	60.31%
	<b>8.2.2 Concentration of NPAs.</b>		
	1) Total Exposure to Top Four NPA Accounts	6,948.48	4,481.92





## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

49 contd.	Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020		
	<b>8.2.3 Sector Wise NPAs.</b>				
	<b>Sector</b>	<b>% of NPA to Total Advances in that Sector</b>	<b>% of NPA to Total Advances in that Sector</b>		
	Tourism Sector	4.47%	2.84%		
	Manufacturing Sector	0.00%	2.97%		
	<b>8.3 Movement of NPAs.</b>				
	1) Net NPAs to Net Advances (%)	2.86%	1.63%		
	2) Movement of Gross NPAs				
	(a) Opening Balance	4,481.92	8,713.76		
	(b) Add: Addition During Year	5,222.36	7,774.12		
	(c) Less: Write-off During Year	2,755.80	5,100		
	(d) Less: Upgradation & Recovery During Year	-	6,906.23		
	(e) Closing Balance	6,948.48	4,481.92		
	3) Movement of Net NPAs				
	(a) Opening Balance	2,889.92	4,762.23		
	(b) Add: Addition During Year	4,165.48	2,362.64		
	(c) Less: Write-off, Upgradation & Recovery During Year	1,441.92	4,234.95		
	(d) Closing Balance	5,613.48	2,889.92		
	4) Movement in Provision for ECL (incl NPA/Stage-3 accounts)				
	(a) Opening Balance	3,075.80	4,725.53		
	(b) Add: Provision made during the year*	4,515.80	6,800.00		
	(c) Less: Loans & Investments Written off during the year	4,405.80	8,449.73		
	(d) Closing Balance	3,185.80	3,075.80		
	* Provision includes u/s 36(1)(viiia) of Income Tax Act 1961				
	<b>8.4 Loans and advances availed (including interest due thereon but not paid)</b>				
	<b>Particulars</b>	<b>Outstanding</b>	<b>Overdue</b>	<b>Outstanding</b>	<b>Overdue</b>
	Debentures (Bonds)				
	- Secured	15,974.00	Nil	15,974.00	Nil
	- Unsecured	63,150.00	Nil	68,150.00	Nil
	Deferred Credits	Nil	Nil	Nil	Nil
	Term Loans, WCDL/CC & FCNR(B)	57,236.26	Nil	61,000.00	Nil
	Inter Corporate Deposits	Nil	Nil	Nil	Nil
	Commercial Papers	Nil	Nil	Nil	Nil
	<b>8.5 Break-up of Loans and Advances including bills receivables (Net of provision).</b>				
	<b>Particulars</b>	<b>Amount Outstanding</b>		<b>Amount Outstanding</b>	
	a) Secured	1,94,389.12		1,76,148.08	
	b) Unsecured	2.31		40.52	
	<b>8.6 Break up of Leased Assets and stock on hire and other assets counting towards AFC activities : NIL</b>				
	<b>8.7 Break-up of Investments (Net of Provision)</b>				
	<b>Investment in Debt securities</b>				
	- at amortised cost	9,271.92		15,327.01	
	- at fair value through P&L	-		62.23	



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

49 contd.	Particulars	Year Ended 31 March 2021			Year Ended 31 March 2020				
	<b>Investment in Equity Instruments</b>								
	- at fair value through OCI			2,114.24			1,974.93		
	- at fair value through P&L			4.22			1.72		
	- at cost			-			-		
	<b>Investment in Other approved securities</b>								
	- at fair value through P&L			4,481.46			4,483.52		
	<b>Total Investment</b>			<b>15,871.84</b>			<b>21,849.41</b>		
	<b>8.8 Borrower group-wise classification of assets financed as in (8.5) and (8.6) above</b>								
	Particulars	Amount (Net of Provision)			Amount (Net of 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	194389.11	2.31	194391.43	176148.08	40.52	176188.60		
	<b>8.9 Investor group-wise classification of all investments in shares and securities (Both Quoted &amp; Unquoted)</b>								
	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		5.00	5.00		5.00		5.00	
	- Companies in Same Group		Nil	Nil		Nil		Nil	
	- Other Related Parties		Nil	Nil		Nil		Nil	
	ii) Other than Related Parties		15,866.84	16,498.61		21,849.41		22,644.52	
	<b>TOTAL</b>		<b>15,871.84</b>	<b>16,503.61</b>		<b>21,854.41</b>		<b>22,649.52</b>	
	<b>8.10 Other Information</b>								
	i) Gross Non-Performing Assets								
	- Related parties				Nil				Nil
	- Other than related parties				6,948.48				4,481.92
	ii) Net Non-Performing Assets								
	- Related parties				Nil				Nil
	- Other than related parties				5,613.48				2,889.92
	iii) Assets acquired in satisfaction of debt				Nil				Nil
	<b>8.11 Customer &amp; Investor Complaints</b>								
	a) No. of complaints pending at the beginning of the year					Nil			Nil
	b) No. of complaints received during the year					32			112
	c) No. of complaints redressed during the year					32			112
	d) No. of complaints pending at the end of the year					Nil			Nil
	<b>8.12 Disclosure on Flexible Structuring of Existing Loans</b>								
	Period & No. of Borrowers taken up for flexible structuring	Amount of Loan Taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring					
		Classified as Standard	Classified as NPA	Before Applying flexible structuring	After applying flexible structuring				
	1. Current F.Y. 2019-20 - Nil	-	-	-	-				
	2. Current F.Y. 2020-21 - Nil	-	-	-	-				



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

49 contd.	Particulars	Year Ended 31 March 2021		Year Ended 31 March 2020		
<b>8.13 Disclosures on Liquidity Risk</b>						
<b>8.13.1 Funding concentration based on significant counterparty</b>						
No. of Significant Counterparties		17		17		
Amount		1,12,210.26		1,20,084.00		
% of Total Deposit		N.A.		N.A.		
% of total Liabilities		80.54%		80.58%		
<b>8.13.2 Top 20 large deposits</b>						
Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Companies registered with Reserve Bank of India does not accept public deposit.						
<b>8.13.3 Top 10 Borrowings</b>						
Amount		1,01,140.26		1,09,014.00		
% of total Borrowings		74.17%		75.18%		
<b>8.13.4 Funding concentration based on significant instrument/product</b>						
<b>Name of the instrument/product</b>		<b>Amount</b>	<b>% of Total Liabilities</b>	<b>Amount</b>	<b>% of Total Liabilities</b>	
1. Secured Non-Convertible Debentures		15,974.00	11.47%	15,974.00	10.72%	
2. Unsecured Non- Convertible Debentures		63,150.00	45.33%	68,150.00	45.73%	
3. Term Loans from Bank		51,236.26	36.77%	56,000.00	37.58%	
4. Working Capital Limit/WCDL		6,000.00	4.31%	5,000.00	3.36%	
Total Borrowings		1,36,360.26	97.87%	1,45,124.00	97.38%	
Total Liabilities (Total Liabilities - Equity & other Equity)		1,39,325.93		1,49,026.13		
<b>8.13.5 Stock Ratios</b>						
Particulars		as a % of total			as a % of total	
		public fund	liabilities	assets	public fund	liabilities
Commercial Paper as % of Total Liabilities		-	-	-	-	-
Non-convertible Debentures (Original maturity of less than one year)		-	-	-	-	-
Other Short term liabilities		33.85%	33.13%	21.13%	16.43%	16.00%
		10.63%				
<b>8.13.6 Institutional Set Up for Liquidity Risk Management</b>						
The Liquidity Risk management of the Company is governed by the Liquidity Risk Management Framework and Asset & Liability Management(ALM) Policy approved by the Board. The Board of Directors of the Company has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Risk Management Committee of Directors (RMCD) is responsible for evaluating the overall risks faced by the company including liquidity risks. The Asset Liability Management Committee (ALCO) is responsible for ensuring adherence to the liquidity risk tolerance/limit set by the Board as well as implementing the liquidity risk management strategy. The role of ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk and overseeing the liquidity positions at an entity level.						



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

S.No	Type of Restructuring Assets Classification Details	Under CDR Mechanism				Others				Total			
		Standard	Sub-Doubtful	Loss	Total	Standard	Sub-Doubtful	Loss	Total	Standard	Sub-Doubtful	Loss	Total
1	Restructured Accounts as on 01.04.2020	-	-	-	-	2	-	-	2	4,208.74	-	-	4,208.74
	Amount Outstanding	-	-	-	-	4,208.74	-	-	4,208.74	4,208.74	-	-	4,208.74
	Provision Thereon	-	-	-	-	210.44	-	-	210.44	210.44	-	-	210.44
2	Fresh restructuring during the year	-	-	-	-	3*	-	-	3*	5,736.72	-	-	5,736.72
	Amount Outstanding	-	-	-	-	5,736.72	-	-	5,736.72	5,736.72	-	-	5,736.72
	Provision Thereon	-	-	-	-	309.78	-	-	309.78	309.78	-	-	309.78
3	Upgradations to restructured standard	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
	Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figure)	-	-	-	-	5	-	-	5	10,672.86	-	-	10,672.86
	Amount Outstanding	-	-	-	-	10,672.86	-	-	10,672.86	10,672.86	-	-	10,672.86
	Provision Thereon	-	-	-	-	563.40	-	-	563.40	563.40	-	-	563.40

\* Excluding an account restructured under MSME restructuring scheme of RBI, which was shown as restructured in the previous year for DCCO extension.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

49 contd. 10 Details of Provision as per Ind-AS 109 & RBI - IRCAP Norms						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRCAP norms	Difference between Ind AS 109 provisions and IRCAP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	1,80,009.86	1,063.80	1,78,946.06	1,059.55	4.25
	Stage 2	10,705.90	787.00	9,918.90	223.37	563.63
<b>Sub total</b>		<b>1,90,715.76</b>	<b>1,850.80</b>	<b>1,88,864.96</b>	<b>1,282.92</b>	<b>567.88</b>
<b>Non-Performing Assets (NPA)</b>						
Sub standard	Stage 3	5,222.36	1,002.61	4,219.75	522.24	480.37
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	1,726.12	332.39	1,393.73	517.84	(185.45)
More than 3 years	Stage 3	-	-	-	-	-
<b>Sub total for doubtful</b>		<b>6,948.48</b>	<b>1,335.00</b>	<b>5,613.48</b>	<b>1,040.08</b>	<b>294.92</b>
Loss	Stage 3	-	-	-	-	-
<b>Sub total for NPA</b>		<b>6,948.48</b>	<b>1,335.00</b>	<b>5,613.48</b>	<b>1,040.08</b>	<b>294.92</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>Stage 1</b>	<b>1,80,009.86</b>	<b>1,063.80</b>	<b>1,78,946.06</b>	<b>1,059.55</b>	<b>4.25</b>
	<b>Stage 2</b>	<b>10,705.90</b>	<b>787.00</b>	<b>9,918.90</b>	<b>223.37</b>	<b>563.63</b>
	<b>Stage 3</b>	<b>6,948.48</b>	<b>1,335.00</b>	<b>5,613.48</b>	<b>1,040.08</b>	<b>294.92</b>
		<b>1,97,664.24</b>	<b>3,185.80</b>	<b>1,94,478.44</b>	<b>2,323.00</b>	<b>862.80</b>

**Note:**

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, NBFCs are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and IRCAP norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRCAP as at March 31, 2021 and accordingly, no amount is required to be transferred to impairment reserve.

**11 Asset Liability Management Maturity pattern of certain items of assets and liabilities**

Particulars	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	-	-	4,361.26	4,375.00	14,750.00	32,500.00	1,250.00	-	57,236.26
- Market Borrowings	-	-	-	10,000.00	10,000.00	25,650.00	15,974.00	17,500.00	79,124.00
Assets									
- Advances	2,453.09	535.86	247.37	4,198.89	15,729.60	46,754.15	38,570.16	89,175.12	1,97,664.24
- Investments	420.00	730.00	1,500.27	2,594.04	4,953.75	3,714.28	1,783.64	807.62	16,503.60



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

## 50 Commitments

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Capital Commitments	Nil	Nil

51 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, 2021. 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.

## 52 Corporate Social Responsibility(CSR)

## (i) Corporate Social Responsibility (CSR) Expenditure

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Gross amount required to be spend by the company	213.30	213.00
Amount spent during the period on		
i) Construction / acquisition of any assets	-	-
ii) On purposes other than (i) above	213.30	213.00
Total	213.30	213.00

## (ii) Details of Expenditure on Corporate Social Responsibility (CSR)

CSR Project/Activity	Outlay & Spent	
	Year ended 31 March 2021	Year ended 31 March 2020
1. Contribution to PM Cares/Prime Minister's National Relief Fund.	159.22	160.90
2. PARIVAR EDUCATION SOCIETY - towards contribution for supporting education, nutritional and overall development of destitute and needy children.	12.43	10.15
3. Bharat Lok Siksha Parishad (under the ages of Ekal Abhiyan or one village one school) -towards contribution for supporting 25 Ekal Vidyalas.	5.50	5.50
4. Ruchika Social Service Organisation - contribution towards 'School on Wheels' & education material for rural children	6.75	-
5. Friends of Tribal Society - towards contribution for supporting education of Destitute children	25.08	
6. DLF Foundation - SBM Sr. Sec. School - towards 50 tablets to students of economically weaker society for attending online school classes."	4.32	
7. Contribution to AKSHAYA PATRA FOUNDATION - for mid day meal to students of Govt. Schools.	-	7.70
8. Contribution to ARYA KANYA SADAN (AKS) - for part funding for education expenses of girl students in Faridabad, Haryana.	-	5.00
9. Contribution to ISKCON Food Relief Foundation - for purchase of one vehicle for transporting meals to children under mid-day meal project in Gurugram, Haryana.	-	5.75
10. Sulabh Sanitation Mission Foundation - for Renovation/ upgradation of existing Sulabh Toilet Complex at N. M. Joshi Lower Parel, Mumbai	-	18.00
<b>Total</b>	<b>213.30</b>	<b>213.00</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

## 53 Auditor Remuneration

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Audit fees (excluding GST)	5.50	5.25
GST Audit Fee (excluding GST)	1.90	-
Certification Fee (excluding GST)	2.38	2.47
<b>Total</b>	<b>9.78</b>	<b>7.72</b>

54 In the opinion of the Management, the all Financial Assets, including Loans & Advances, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and necessary provision has been made in the cases wherever it is considered as doubtful.

55 Miscellaneous Expenses do not include items of expenses exceeding 1% of the total revenue of the company or Rupees Ten Lakh which ever is higher.

56 Figures in Financial Statements have been rounded off to the nearest lakh (except number of shares) and previous years figures have been re-grouped, re-arranged wherever necessary to make them comparable with those of the current year's figures.

## 57 Interest in other entities

- (i) The group's subsidiaries at 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business

Name of Entity	Country of Incorporation	Ownership held by the group		Ownership held by the non controlling interests		Principle Activity
		31.03.2021	31.03.2020	31.03.2021	31.03.2020	
TFCI Capital Limited	India	100%	100%	Nil	Nil	Investment Banking

- (ii) Additional disclosure under Schedule III of Companies Act 2013

Name of the Entity	Net Assets		Share of Profit / (Loss)		Share of Other Comprehensive Income		Share of Total Comprehensive Income	
	% of Consolidated Net Assets	Amount (₹ in lakh)	% of Consolidated Profit / (Loss)	Amount (₹ in lakh)	% of Consolidated Other Comprehensive Income	Amount (₹ in lakh)	% of Consolidated Total Comprehensive Income	Amount (₹ in lakh)
<b>Parent</b>								
Tourism Finance Corporation of India Limited								
31.03.2021	100.00%	79,162.62	100.04%	8,074.74	100.00%	180.51	100.04%	8,255.25
31.03.2020	99.99%	75,352.18	100.00%	8,101.81	100.00%	137.45	100.00%	8,239.26
<b>Subsidiary</b>								
TFCI Capital Limited								
31.03.2021	0.00%	1.26	-0.04%	(3.45)	0.00%	-	-0.04%	(3.45)
31.03.2020	0.01%	4.71	0.00%	(0.30)	0.00%	-	0.00%	(0.30)

## 58 Impact of Covid-19 Pandemic

Consequent to the outbreak of COVID-19 pandemic, the Government of India announced lockdown in March 2020 which was subsequently lifted in a phased manner outside the containment zones. The Covid-19 pandemic contributed to a significant decline in economic activity, including tourism sector wherein the Company has predominant exposure, during the first half of FY21. With improvement in situation and pent-up demand during the second half of FY21 Indian economy registered 0.4% GDP growth in third quarter and estimated 1.3% GDP growth in fourth quarter of FY21. The tourism sector



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

also witnessed green shoots in the second half of FY21 from the demand emanating from domestic leisure & commercial tourist market segments. However, the resurgence of COVID-19 pandemic from March 2021 has again led to lockdown in various parts of the country and slowed down the economy. The extent of its impact on the Company's performance will depend on ongoing and future developments for controlling the gravity of second wave of Covid-19 pandemic, which are at present uncertain. It is pertinent to mention that India is spearheading the largest vaccination drive to control the severity of COVID-19 which is likely to be substantially completed by first half of FY22. Moreover, most of the tourism bodies and hotel experts are of the opinion that hotel/tourism industry is expected to revive in the latter half of the current fiscal. The sustainability of operations and liquidity constraints for most of the assisted concerns/borrowers operating in the tourism sector, to a large extent, have been taken care by RBI COVID-19 Regulatory Package and Emergency Credit Line Guarantee Scheme (ECLGS -1.0/2.0/3.0) of Government of India, which have been extended by the Company, wherever warranted. Based on the current indicators and the future economic scenario, the Company is confident to recover the carrying amount of the loans and investments in the scheduled timelines. The Company also recognizes its commitment towards all the stakeholders including borrowers, investors, lenders, regulators, employees, and the entire eco-system in which it operates. The Company has been taking various measures to provide financial support to eligible borrowers, to honour its repayment obligations to investors/lenders on time and to protect its employees & their families while ensuring business continuity through work from home.

**59 Additional RBI Disclosures**

- (i) In accordance with the RBI guidelines on COVID-19 Regulatory Package vide circulars dated March 27, 2020, April 17, 2020 and May 23, 2020, the Company had offered moratorium on the payment of installments falling due between 1.3.2020 to 31.8.2020 ('moratorium period') to eligible borrowers. In respect of accounts where moratorium benefit was granted, the staging of those accounts as at March 31, 2021 is based on the days past due status considering the benefit of moratorium period as per the aforesaid RBI COVID-19 Regulatory Package guidelines

Details of Accounts where moratorium/deferment was extended in terms of above circulars:-				
No. of Account	Loan Amount	Provision Required as per RBI (staging benefit)	ECL Provision made in books	(Amount in ₹ lakh) Residual Provision as per RBI (staging benefit)
1	5222.36	522.24	1,002.61	-
The account has been downgraded to NPA Category during the year.				

- (ii) As per RBI Circular No.DBR.BP.BC.18/21.04.048/2018-19 dated 1<sup>st</sup> January 2019 and extended guidelines for the same vide RBI Circular No. DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and again extended guidelines for the same vide RBI Notification No. DOR.No.BP.BC.4/21.04.048/2020-21 dated August 6, 2020 on "One-time MSME restructuring", the details of MSME restructured accounts as on 31<sup>st</sup> March, 2021 are as under

No of Accounts Restructured During Year	Amount (₹ in Lakh)
4	7439.72

- (iii) The Company has not carried out restructuring for any of the borrowers' loan(s) for the year ended March 31, 2021 under RBI's Resolution Framework for COVID-19-Related Stress vide circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020





## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakh)

- (iv) No borrower of the Company was eligible for ex-gratia payment in terms of Covid-19 Relief Scheme of Ministry of Finance, Government of India vide its notification dated October 23, 2020
- (v) In accordance with the RBI Circular No. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 and the methodology for calculation of 'interest on interest' based on guidance issued by Indian Banks' Association, the Company has put in place a Board approved policy to refund/adjust interest on interest charged to borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020. The Company has estimated the said amount and made a provision in the financial statements for the year ended March 31, 2021. As on March 31, 2021, the Company holds a specific liability of ₹268.26 lakh which is debited to interest income to meet its obligation towards refund of interest on interest to eligible borrowers as prescribed by the RBI. Accordingly, interest income for the quarter and year ended March 31, 2021 is lower by ₹268.26 lakh
- (vi) The Hon'ble Supreme Court in Writ petition (CIVIL) No 825 of 2020 by Gajendra Sharma Vs Union of India & ANR and other connected matters vide its interim order dated September 03, 2020 had directed that the accounts which were not declared NPA till August 31, 2020 shall not be declared NPA till further orders, pending disposal of the cases by the Hon'ble Supreme Court. During such period, the Company has considered one borrower account with loan outstanding of ₹ 5222.36 lakh in standstill asset classification for financial reporting with ECL provisioning as per Stage-3 categorization. The Hon'ble Supreme Court of India vacated the interim relief granted not to declare accounts of borrowers as NPA vide its judgement in the matter of Small-Scale Industrial Manufacturers Association vs. UOI & Ors. dated March 23, 2021. Accordingly, the Company has downgraded the aforesaid borrower account as NPA in sub-standard category for the quarter and year ended March 31, 2021 in accordance with instructions contained in paragraph 5 of the RBI circular no. RBI/2021-22/17DOR.STR.REC.4/ 21.04.048/ 2021-22 dated April 7, 2021

As per our report of even date  
for Suresh Chandra & Associates  
(Chartered Accountants)  
Firm Reg. No: 001359N

(Anirban Chakraborty)  
Managing Director & CEO

(S.Ravi)  
Non-Executive Chairman

(Ved Prakash Bansal)  
Partner  
M.No.500369

(Sanjay Ahuja)  
Company Secretary

(Anoop Bali)  
Executive Director & CFO

Date : May 31, 2021  
Place : New Delhi







**Tourism Finance Corporation of India Limited**

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