



BOARD OF DIRECTORS

Shri Shivendra Tomar-Managing Director

Shri Samir Kumar Ganguli

Shri Sujit K. Mandal

Shri V. P. Singh

Dr. Raju Sharma (Ex-IAS)

Shri R. R. Rai

Shri Vivek Nair

Shri Devesh Chaturvedi

Shri Sanjeev Kumar Jindal

Smt. Shashi Sharma

Shri Rakesh Kapoor

Shri Satpal Arora

Shri R. P. Singh

REGISTERED OFFICE

IFCI Tower,

61 Nehru Place,

New Delhi-110 019

Phone : +91-11-41732000

Fax : +91-11-26291152

E-mail : ho@tfcilt.com

Website : www.tfcilt.com

STATUTORY AUDITORS

M/s. S.S. Kothari & Associates

Chartered Accountants

146-149, Tribhuvan Complex

Ishwar Nagar, Mathura Road

New Delhi-110 065.

Phone : +91-11-46708888

Fax : +91-11-66628889

CHIEF FINANCIAL OFFICER

Shri B.M. Gupta

SR. COMPANY SECRETARY

Shri Rajiv Singh

BANKERS

HDFC Bank

Indian Overseas Bank

REGISTRAR AND TRANSFER AGENT

MCS Ltd.

F-65, First Floor

Okhla Industrial Area,

Phase-I

New Delhi-100 020

Phone : +91-11-41406149/51/52

Fax : +91-11-41709881

E-mail : admin@mcsdel.com

Note: 1. No Gift will be given in the AGM

2. Shareholders are requested to send shares for transfer and other correspondence directly to the Company's Registrar and Transfer Agent at the above-mentioned address.

**HIGHLIGHTS**

(₹ in Lakh)

	As at March 31, 2012	As at March 31, 2011	
Resources			
Share Capital	8072	8072	
Reserves and Surplus	29662	25937	
Secured Loans	25000	19735	
Unsecured Loans	53992	32431	
Total	116726	86175	
Operations			
	Cumulative	2011-2012	2010-2011
Assistance sanctioned			
Rupee Loan	528336	71880	67105
Leasing	2491	—	—
Subscription to Equity/Preference Share/ Mutual Fund/Debenture	53405	6118	6711
Guarantee	1483	—	—
Total	585715	77998	73816
Assistance disbursed			
Rupee Loan	295729	50206	31164
Leasing	1580	—	—
Subscription to Equity/Preference Share/ Mutual Fund/Debenture	46946	6118	6711
Guarantee	1443	—	—
Total	345698	56324	37875
Earnings			
Profit before tax	6308	6879	
Profit after tax	4947	4441	
Earning per share (₹)	6.13	5.50	



NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the members of Tourism Finance Corporation of India Ltd. will be held on Wednesday, the 18th day of July, 2012 at 2.00 p.m. at Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012, the Profit and Loss Account of the Company for the year ended on that date together with the reports of the Directors' and Auditors' thereon.
2. To declare Dividend on Equity Shares for the financial year ended March 31, 2012.
3. To appoint a director in place of Smt. Shashi Sharma, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a director in place of Shri R. P. Singh, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Shri V. P Singh, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of 23rd Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** M/s. S. S. Kothari & Associates, Chartered Accountants (Registration No. 305147E), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of 23rd Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as decided by the Audit Committee of the Board.”

SPECIAL BUSINESS:

7. To appoint Shri Shivendra Tomar as Managing Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, 310, read with the Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) the consent of the members of the Company, be and is hereby accorded for appointment of Shri Shivendra Tomar as Managing Director of the Company for a period of 5 years w.e.f. February 27, 2012 on his existing terms and conditions of appointment as set out in the Explanatory Statement annexed hereto.”

“**RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to increase alter and to vary the remuneration consisting salary, perquisites, allowance etc. including the monetary value thereof as may be permitted or authorized in accordance with the provisions of the Companies Act, 1956, for the time being in force, provided however, that the remuneration payable to Shri Shivendra Tomar shall be within the limits as prescribed in Schedule XIII of the Companies Act, 1956.”

“**RESOLVED FURTHER THAT** notwithstanding anything contained to the contrary in the Companies Act, 1956 where in any financial year the Company has no profit or inadequate profit, Shri Shivendra Tomar will be paid minimum remuneration within the ceiling limits prescribed under Scheduled XIII of the Companies Act, 1956 or any modification or re-enactment thereof.”

“**RESOLVED FURTHER THAT** in the event of any statutory amendment(s) or modification(s) or relaxation(s) by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors or Committee thereof, be and is hereby authorized to vary or increase the remuneration including salary, perquisites, allowances etc. within such prescribed limit in order to give effect to such modification(s) relaxation(s) or variation(s) without any further reference to the Company in General Meeting.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board in the best interest of the Company, as it may deem fit.”

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

“**RESOLVED THAT** in supersession of the earlier resolution passed at the Seventh Annual General Meeting held on August 28, 1996, the consent of the members of the Company, be and is hereby accorded to the Board of Directors of the Company pursuant to Section 293(1)(d) of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Article 76, 77, 78 and 79 of the Articles of Association of the Company for borrowing from time to time any sum of money including from Commercial Banks, Financial Institutions, Mutual Funds, Public Financial Institutions, Promoters, Foreign Financial Institutions, Provident Fund Trusts, Pension Funds or from any other person(s) or entities as term loans, through Commercial Paper, through issue of Non convertible Bonds, Debentures



on private placement basis, whether within India and/or abroad, notwithstanding that the money/monies to be borrowed together with monies already borrowed by the Company (apart from the temporary loans obtained from the bankers of the Company in the ordinary course of business) may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/monies so borrowed by the Board shall not at any time exceed the limit of ₹3000 Crore (Rupees Three Thousand Crore only).”

“**RESOLVED FURTHER THAT** the Board of Directors or any Committee thereof/person(s) authorized by the Board, be and is/are hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

By order of the Board of Directors

Date: May 16, 2012
Place: New Delhi

(Rajiv Singh)
Sr. Company Secretary

Notes:

1. ***A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.***
2. The Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956, setting out material facts in respect of the business under item no. 7 & 8 are annexed hereto.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. In terms of Article 135 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Smt. Shashi Sharma,, Shri R. P. Singh and Shri V. P. Singh, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.
5. Brief profile of all the Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and memberships/chairmanship of Board Committees, shareholding and relationship between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are annexed herewith.
6. Members seeking any information with regard to accounts or operations are requested to write to the Company at least 10 days in advance, to enable the Company to keep the information ready.
7. Members are requested to
 - (a) bring their attendance slip along with their copy of annual report to the meeting.
 - (b) note that all correspondence relating to share transfer should be addressed to Registrar & Share Transfer Agents of the Company, MCS Limited at F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020.
 - (c) quote their DP ID No./Client ID No. or Folio Number in all correspondence.
8. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the Company on all working days, except Saturdays, between 11.00 a.m. to 1.00 p.m. up to the date of the meeting.
9.
 - (a) The Register of Members and Share Transfer Books of the Company will remain closed from July 14, 2012 to July 18, 2012 (both days inclusive) in terms of the provisions of Section 154 of the Companies Act, 1956 for the purpose of Annual General Meeting and for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
 - (b) The dividend on Equity Shares, if declared at the Meeting, will be paid to those members holding shares
 - (i) in physical form, if their names appear in the Register of Members as on July 18, 2012 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 July 13, 2012.
10. Members holding shares in electronic form 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 Company/ Registrar & Share Transfer Agent, M/s MCS Limited.
11. Pursuant to the provisions of Section 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed and unpaid for a period of 7 years from the date of payment is required to be transferred to the **Investor Education and Protection Fund (the IEPF)** established by the Central Government. Members who have not yet encashed their dividend warrants for the previous years, are requested to make their claims to the Company immediately. Members may please note that no claims



shall lie either against the Company or the Registrar and Transfer Agents in respect of dividends which remain unclaimed and unpaid for a period of 7 years from the date of payment and no payment shall be made in respect of such claims. The due date of transfer of unclaimed and unpaid dividend in IEPF is as follows:

Date of Declaration of Dividend	Due date of transfer in IEPF A/c
21.09.2007	21.10.2014
12.09.2008	12.10.2015
19.09.2009	18.10.2016
17.09.2010	17.10.2017
13.09.2011	13.10.2018

12. As per the provisions of the Companies Act, 1956, 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.
13. The Securities and Exchange Board of India (SEBI) has made the submission of Permanent Account Number (PAN) mandatory by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Transfer Agents M/s MCS Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO: 7

Pursuant to the order of the Hon'ble High Court of Delhi dated December 16, 2011, the Board of Directors in its meeting held on January 21, 2012 decided to invite application(s) for the post of Managing Director of the Company. Accordingly, public advertisements were issued in national newspapers. The Selection Committee in its meeting held on February 14, 2012, while considering the profile of the applicants, found the profile of Shri Shivendra Tomar, the existing Managing Director of the Company, the most appropriate for the post. Accordingly, the Selection Committee decided to recommend to the Board that the present Managing Director of the Company be appointed as Managing Director of the Company in compliance with the order of Hon'ble High Court of Delhi. The Board of Directors in its meeting held on February 27, 2012, while considering the recommendation of the Selection Committee, appointed Shri Shivendra Tomar as Managing Director of the Company w.e.f. February 27, 2012 for a period of 5 years on the following terms and conditions:

(A) Salary : ₹2,00,000/- p.m. with annual increment of 12.5% of the salary.

(B) Perquisites

- (i) Housing: Rent free furnished accommodation along with benefit of gas, fuel, water, electricity, telephone, internet and fax, as also upkeep and maintenance of the Company's furnished accommodation.

or

House Rent allowance (HRA) equal to 60% of the salary or if he offers a house in his own name/spouse, the same may be taken on lease limited to 60% of the salary.

- (ii) Medical Reimbursement: Reimbursement of medical expenses for self and family including dependent parents/children, at actual, in India.
- (iii) Leave Travel Allowance: Leave Travel Allowance will be paid by the Company for self and family including dependent parents/children once in two years.
- (iv) Club Fees: Reimbursement of club fees, subject to maximum of two clubs.
- (v) Personal Accident Insurance Policy subject to annual premium upto ₹20,000/-.
- (vi) Furniture at residence upto ₹5.00 Lakh and payment of 5% annual maintenance allowance on self certification basis with option to repurchase at book value after 5 years or on retirement whichever is earlier.

(C) Other Benefits

- (i) Contribution to Provident Fund in accordance with the rules of the Company. The contribution to Superannuation Fund/Annuity Fund will be 15% of the salary.
- (ii) Gratuity at the rate not exceeding one month salary for each completed year of service subject to the monetary limit prescribed under the Payment of Gratuity Act, 1972 and the rules of the Company.
- (iii) Car with the services of a Driver to be maintained by the company for official use. The permissible limit for personal use would be 1000 km per month with an annual ceiling of 12000 kms.
- (iv) Telephone/fax/internet facility-at actual.
- (v) Leave/Leave salary as per the rules of the Company. Entitled to encash accrued earned leave at the time of retirement.
- (vi) The performance incentive would be decided by Remuneration Committee of the Board on a year to year basis based on the performance of the Company.
- (vii) Commission on profit, if any decided by the Board on yearly basis subject to and within the ceiling as may be approved by the shareholders.
- (viii) Any or all allowance, perquisites and benefit under the appropriate schemes and rules applicable generally to officers of the company provided however that the total remuneration shall be within the ceiling prescribed under Schedule XIII of the Companies Act, 1956.

(D) The appointment may be subject to termination by 3 months notice in writing on either side or three months' pay in lieu thereof.

As per the requirement of the Companies Act, 1956, the appointment of Managing Director is required to be approved by the shareholders in the General Meeting. Your Directors recommend the resolution for approval of the shareholders including the conditions as stated above.



Except the director named in the resolution, no other Director of the Company is, in any way, concerned or interested in the proposed resolution.

ITEM NO: 8

The Borrowing powers of the Board of Directors were fixed at ₹1500 Crore by a resolution passed under Section 293(1)(d) of the Companies Act, 1956 at the Seventh Annual General Meeting held on August 28, 1996.

The Board feels that in view of expanding business, the borrowing powers of the Company need to be suitably raised to ₹3000 Crore. In terms of Section 293(1)(d) of the Companies Act, 1956, enhancement of the borrowing powers of the Board beyond the aggregate of the Paid up capital and free reserve, requires approval of the shareholders and hence this resolution.

None of the Director is, in any way, concerned or interested in the said resolution.

The Board recommends the resolution set forth in item no. 8 for the approval of the members.

By Order of the Board of Directors

Date: May 16, 2012 (Rajiv Singh)
Place: New Delhi Sr. Company Secretary

BRIEF PROFILE OF DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED AS REQUIRED IN TERMS OF LISTING AGREEMENT

Smt. Shashi Sharma

Smt. Shashi Sharma, aged 51 years, is a Chartered Accountant and holds a Graduate Degree in Commerce from Shri Ram College of Commerce, Delhi University. She is a Certified Treasury Manager from Institute of Chartered Financial Analysts of India. She is an Alumni of London Business School, London. She is also a member of the Corporate Bond Securitization Advisory Committee set-up by SEBI. Presently, Smt. Shashi Sharma is working as Executive Director in IFCI Ltd. heading treasury, investment, resources, accounts and IT department of IFCI and is also Chairperson of various Internal Committees in the organization. Before joining IFCI, she had worked in MMTC Ltd. (a Public Sector Undertaking) for 11 years in various departments. She does not hold any share in your Company. She is Director of your Company since May 16, 2011.

Shri R. P. Singh

Shri R.P. Singh, aged 59 years, has a rich and varied experience of over 33 years in project finance, financial services and asset securitization including 15 years of extensive experience in NPA management and resolution.

Over the years, he has held various important positions at the tactical and strategic levels in IFCI. In the past, he held the position of Managing Director of IFCI Financial Services Ltd. At present, Shri R.P. Singh is heading Asset Care & Reconstruction Enterprise Ltd. as its Chief Executive Officer (CEO). He does not hold any share in your Company. He is Director of your Company since May 16, 2011.

Shri V. P. Singh

Shri V. P. Singh, aged 74 years, has more than 45 years of experience in legal practice. He is designated as Senior Advocate. He practices in High Courts and Supreme Court. He is also on the Board of National Co-operative Union of India, Delhi State Co-operative Bank and President of Delhi State Co-operative Union. He was also associated with International Co-operative Alliance, Geneva, affiliated to United Nations. He does not hold any share in your Company. He is Director of your Company since May 16, 2011.

Shri Shivendra Tomar

Shri Shivendra Tomar, aged 45 years, is M. Com and MBA from Aligarh Muslim University (AMU). He has more than 20 years of experience in financial services covering areas in appraisal, credit administration, NPA and recovery management, investment banking, resources mobilization and liability management along with project conceptualization, planning and development.

In the year 2001, he joined IFCI, where he worked in various departments such as Resources, Liabilities, Restructuring, Corporate Advisory, Credit and Recovery management before joining IFCI Infrastructure Development Ltd.(IIDL), as Chief Operating Officer in February 2008. Based on his performance, he was elevated to the post of Chief Executive Officer and subsequently, to the post of Managing Director w.e.f September 2010.

In May 2011, he joined the Board of Tourism Finance Corporation of India Ltd.

The other Directorships/Committee memberships of Shri Shivendra Tomar are as follows:

Name of Company	Board Membership	Committee Membership
GIC Housing Finance Ltd.	Nominee Director	-
IFCI Infrastructure Development Ltd.	Director	-
Jangipur Bengal Mega Food Park Ltd.	Director	-
IIDL Realtors (P) Ltd.	Director	-

Shri Shivendra Tomar holds 100 Equity Shares of your Company.

Important Communication to Members

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



DIRECTORS' REPORT

To the Members:

1. Presentation of the Annual Report:

Your Directors have pleasure in presenting the Twenty Third Annual Report on the business and operations of the Company and the audited accounts for the financial year 2011-12.

2. Financial Results:

	(₹ in Lakh)	
	2011-12	2010-11
Total Income	13032.33	10952.94
Total Expenditure	7324.12	5422.97
Add: Excess provision written Back	600.00	1350.00
Profit before Tax	6308.21	6879.97
Provision for Tax	1361.25	2438.93
Profit After Tax	4946.96	4441.04
Less: Provision for doubtful debts u/s36(1)(viiia) of the Income Tax Act, 1961	199.00	269.49
Surplus Brought Forward	755.91	327.39
Profit Available for Appropriation	5503.87	4498.94
Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961	971.00	1229.09
Special Reserve u/s 45 IC of RBI Act	989.39	888.21
General Reserve	1000.00	500.00
Proposed Dividend	968.60	968.60
Dividend Tax	157.13	157.13
Balance Carried to B/S	1417.75	755.91
	5503.87	4498.94

3. Performance

The operational performance of your Company has improved over the previous year despite difficult business environment. The gross income has gone up by 19% during the year under review as compared to corresponding previous year. Your Company has achieved a growth of 11.40% in Net Profit After Tax (PAT) over the corresponding previous year figure. It is worth mentioning that the Company has achieved this performance without any extra-ordinary income as against a substantial amount of ₹16.20 Crore during the previous financial year 2010-11. The total sanctions of ₹779.98 Crore were made during the financial year 2011-12 comprising of project-related sanctions of ₹718.80 Crore and average investment in liquid funds amounting to ₹61.18 Crore

(previous year ₹738.16 Crore comprising of project-related sanctions of ₹671.05 Crore and average investment in liquid funds amounting to ₹67.11 Crore). TFCI has made disbursement of ₹563.24 Crore during the financial year 2011-12 comprising of project-related disbursements of ₹502.06 Crore and average investment in liquid funds amounting to ₹61.18 Crore (previous year ₹378.75 Crore comprising of project-related disbursements of ₹311.64 Crore and average investment in liquid funds amounting to ₹67.11 Crore) registering a remarkable growth of around 49% over the previous year. In order to avail opportunities in sectors other than tourism, hospitality and infrastructure, the Object Clause of the Memorandum of Association of the Company was amended/enlarged with your approval. This amendment enabled the Company to venture into financing of projects in other sectors also.

3.1 Industry Outlook

Tourism is one economic sector in India that has the potential to grow at a high rate and to ensure consequential development of the infrastructure at the destinations. It has the capacity to capitalize on the country's success in the services sector and to provide sustainable model of growth. Tourism is not only an economic growth engine but also an employment generator. The Planning Commission has identified tourism as the second largest sector in the country in providing employment opportunities to a wide spectrum of job seekers from the unskilled to the specialized one. The Indian tourism industry experienced a strong period of growth fuelled by sustained economic growth, strengthening of ties with developed world via opening of sectors. During the year 2011, the number of Foreign Tourist Arrivals (FTAs) in India reached the level of 6.29 million, registering a growth of 8.9% over the FTAs of 5.78 million in the year 2010. The growth rate of 8.9% in tourist arrivals in India was almost double the growth of 4.4% in tourist arrivals worldwide. The tourism sector in India, therefore, has fared better vis-à-vis the world. Foreign Exchange Earnings (FEE) from tourism in India during 2011 were USD16.56 billion as compared to USD 14.19 billion in 2010, registering a growth of 16.7%. FTAs during the period January-April 2012 were 2.43 million with a growth of 8.3% over the corresponding period of January-April 2011. FEE from tourism during January-April 2012 were USD 6274 million with a growth of 14.6% over the corresponding previous year figure at USD 5474 million during January-April 2011.

Your Company, during the last few years has been pursuing to expand its portfolio by not only extending financial assistance to new hospitality projects for renovation, upgradation but



also has been actively pursuing consultancy assignments for various state governments by drafting tourism policy, other project advisory services for tourism destination/circuit development.

3.2 Overall Contribution to Tourism and Infrastructure Sector by TFCI

The assistance provided by your company since its inception has catalyzed the addition of 43184 rooms and provided direct employment to about 82281 persons in tourism industry. The assistance provided by your company has also led to catalysing investments to the tune of ₹23916.00 Crore in the tourism sector thereby contributing to the creation of need-based tourism infrastructure, which has direct bearing on the development of tourism in the country.

3.3 Outlook for Tourism

India being a land of rich natural diversity has consistently been on the tourists' radar and tourism has been on a growth trajectory. India is presently considered as a provider of low cost medical treatments which has given impetus to the growth in medical tourism. These factors have contributed to the growth of tourism which is a powerful driver for growth of the hospitality sector. The opening up/expansion of the aviation sector has provided the needed thrust. The hotel industry in India thrives largely due to the growth in tourism and travel. Due to growth in foreign tourist arrivals and domestic tourists, hospitality sector is also growing. Emergence of budget hotels in India to cater to the majority of tourists seeking affordable stay, has materialized into an effective driver for growth. The business travel and MICE are also expected to be the possible growth segments.

India's travel and tourism sector is expected to be the second largest employer. The sector creates large scale employment, both direct and indirect, for diverse sections of society i.e. from the most specialized one to un-skilled workforce. It provides 6-7 percent jobs directly and millions more indirectly through a multiplier effect as per World Tourism Organization (WTO) estimates. By 2021 the Tourism industry will account for 30.44 million jobs directly, an increase of 5.51 million (22.1 per cent) over the next ten years. This includes employment by hotels, travel agents, airlines and other passenger transportation services.

According to the latest Tourism Satellite Accounting (TSA) research, released by the World Travel and Tourism Council (WTTC), the demand for travel and tourism in India is expected to grow by 8.2 % between 2010 and 2019. This will place India at the third position in the world. Capital investment in India's travel and tourism sector is expected to grow at 8.8 % between 2010 and 2019. The report forecasts India to get more capital investment in the travel and tourism sector and is projected to become the fifth fastest growing business travel destination from 2010 through 2020.

India presently has an estimated 114000 hotel rooms spread across hotels in various categories. The various research reports and survey carried out by the Ministry of Tourism, Govt. of India as well as by the associations associated with the tourism industry, suggest a shortfall of about 150000 rooms in different segments. The hotel industry universally is sensitive to economic cycles and does face its troughs as well as highs based on the supply and demands of the rooms at any point. The mid-market and budget hotels in India have the maximum potential given the domestic demand from business and tourism sector. Domestic tourism plays an important role in overall tourism development in the country.

In spite of low rankings on the competitiveness scale, it is clear that India can leverage its higher rankings in certain other categories to exploit its tourism potential over the next decade with proper planning. This potential, exploited in an intelligent and sustainable manner, can prove to be the engine of growth for India. This can be achieved only with active cooperation from the States/UTs.

4. Non-Performing Assets

Your Company scrupulously adhered to the prudential norms for Non-Performing Assets (NPAs) prescribed by the regulatory authority. During the year 2011-12, your Company has taken proactive steps to reduce the non performing assets by vigorously following up with defaulting concerns. As a part of NPA management and optimization of recovery, suitable and effective steps have been taken. During the year, an amount of ₹1.56 Crore was recovered from NPA/written off cases. Your Company has maintained net NPAs at zero as on March 31, 2012.

5. Resource Mobilisation

Your Company constantly monitors its resource base and taps the appropriate source in its endeavor to minimize the weighted average cost of funds. During the year, your Company met its fund requirements for disbursement as well as repayment/redemption of loans/bonds through bond issue, financial assistance from banks and from its internal accruals. During the year, your Company raised ₹256.50 Crore, in tranches, by way of issuing unsecured bonds at coupon rate ranging between 9.65% to 10.20 % p.a., payable semi annually, with a maturity period of 10 years. During the year under report, your Company has borrowed ₹100.00 Crore as term loan for a period of 2 years from a bank and also repaid a high interest bearing term loan of ₹25.00 Crore.

6. RBI Guidelines

Your Company has been classified as Non-Deposit Accepting Non-Banking Financial Company. RBI has been issuing guidelines from time to time with regard to capital



TOURISM FINANCE CORPORATION OF INDIA LIMITED

adequacy standards, income recognition, asset classification, provisioning and other related matters. The accounting policies of your Company conform to these guidelines. The capital adequacy for your Company stands at a very comfortable level of 40.47% as on the March 31, 2012 as against the prescribed norm of 15%.

7. Dividend

Your Directors have recommended a dividend of ₹1.20 per Equity Share i.e. @ 12% on the paid-up Equity Share Capital for the financial year ended March 31, 2012 which will be paid after your approval at the ensuing Annual General Meeting. The aggregate payout due to payment of dividend, if approved, will be ₹11.26 Crore inclusive of dividend tax of ₹1.57 Crore. The dividend will be paid to those members holding shares in physical form, whose names appear in the Register of Members as on July 18, 2012 and in respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership as per details to be furnished by the Depositories i.e National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the end of business on July 13, 2012.

8. Directors

During the year under report, Smt. Archana Capoor and Shri Javed Yunus ceased to be Directors of the Company. The Board appreciates the contribution made by both these directors during their tenure.

In terms of the provisions of Section 256 of the Companies Act, 1956 read with Article 135 of the Articles of Association of the Company, Smt. Shashi Sharma, Shri R. P. Singh and Shri V. P. Singh would retire at the forthcoming Annual General Meeting. The Board recommends the re-appointment of Smt. Shashi Sharma, Shri R. P. Singh, and Shri V. P. Singh in the forthcoming Annual General Meeting.

The Board of Directors in its meeting held on February 27, 2012 having regard to the recommendation of the Selection Committee, appointed Shri Shivendra Tomar, the existing Managing Director of the Company, as Managing Director of the Company for a period of 5 years w.e.f. February 27, 2012 pursuant to the order dated 16.12.2011 of the Hon'ble High Court of Delhi. The Board recommends the appointment of Shri Shivendra Tomar as Managing Director of the Company as proposed.

9. Public Deposits

The Company has not invited any deposit from the public under Section 58A of the Companies Act, 1956 during the year under review.

10. Directors' Responsibility Statement

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

- (i) That in the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards read with the requirements set out under Schedule VI of the Companies Act, 1956 have been followed and there are no material departures from the same;
- (ii) That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the year ended on that date;
- (iii) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That they had prepared the annual accounts on a 'going-concern' basis.

11. Dematerialisation of Shares and nomination facility and listing at Stock Exchanges

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

Shareholders may utilize the nomination facility available by sending duly filled prescribed Form No. 2B to our Registrar and Share Transfer Agent, M/s MCS 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 2011-12 and 2012-13. The addresses of the said Stock Exchanges are stated elsewhere in the Annual Report.

12. Auditors

M/s S. S. Kothari & Associates, Chartered Accountants (Registration No.305147E), the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter from the Statutory Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(IB) of the Companies Act, 1956 and they are not disqualified for re-appointment within the meaning of Section 226 of the said Act. Your Directors recommend their re-appointment.



13. Auditors' Report

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

14. Particulars of Employees

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

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

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

- i) Total foreign exchange outgo : ₹1,91,962
- ii) Total foreign exchange earnings : Nil

16. Transfer of amount to Investor Education and Protection Fund

Pursuant to the provisions of Section 205A of the Companies Act, 1956, an amount of ₹9.52 Lakh has been transferred to the Investor Education and Protection Fund towards the unclaimed/unpaid dividend for the financial year 2003-04.

17. Segment Reporting

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

18. Corporate Governance

Your Directors reaffirm their continued commitment to good corporate governance practices and endorse Corporate Governance practice in accordance with the provisions of

Clause 49 of the Listing Agreement. Your company has complied with all the mandatory requirements of the said clause. The Report on the Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this report.

19. Management's Discussion and Analysis Report

Management's Discussion and Analysis report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

20. Declaration

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

21. Acknowledgements

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

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

The Board also acknowledges and appreciates the guidance and co-operation extended by the Ministry of Finance, Ministry of Tourism, Government of India, 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

Date: May 16, 2012
Place: New Delhi.

(S.K. Ganguli) (Shivendra Tomar)
Director Managing Director



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 organizational 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 13 Directors as on March 31, 2012 including a Managing Director. Out of 12 Non-Executive Directors, 7 are Independent Directors including two Nominee Directors, representing Ministry of Finance and Ministry of Tourism, Govt. of India, on the Board.

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

During the year, 7 Board Meetings were held on June

3, 2011, June 13, 2011, July 1, 2011, August 13, 2011, November 7, 2011, January 21, 2012 and February 27, 2012. The maximum time gap between two Board Meetings was less than four calendar months.

Details regarding the category of Directors, attendance of Directors at Board Meeting and the last Annual General Meeting, number of other Directorships and Committee positions held by them in companies as on March 31, 2012, 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*		
					Committee		
					Director ship	Member	Chairman
1	Shri Shivendra Tomar	MD	7	Yes	4	-	-
2	Smt. Archana Kapoor#	MD	2	No	-	-	-
3	Shri D. Chaturvedi	NEID	0	No	1	-	-
4	Shri Sanjeev Kumar Jindal	NEID	0	No	3	-	-
5	Shri S. K. Mandal	NED	7	Yes	4	4	-
6	Shri Javed Yunus #	NEID	2	No	-	-	-
7	Shri R. R. Rai	NEID	6	Yes	1	1	-
8	Shri S. K. Ganguli	NEID	7	Yes	3	2	1
9	Dr. Raju Sharma	NEID	6	Yes	1	-	1
10	Shri Rakesh Kapoor	NED	4	Yes	2	-	-
11	Shri Vivek Nair	NEID	1	Yes	7	2	-
12	Shri Satpal Arora	NED	6	Yes	8	2	-
13	Smt. Shashi Sharma	NED	7	Yes	1	1	-
14	Shri R. P. Singh	NED	5	Yes	-	-	-
15	Shri V. P. Singh	NEID	5	Yes	-	-	-

Retired/ resigned/removed

NED : Non-Executive Director

NEID : Non-Executive Independent Director

MD : Managing Director

Notes:

- Shareholders in 22nd Annual General Meeting had passed resolution for removal of Smt. Archana Kapoor from the directorship of the Company w.e.f. September 13, 2011. However, in terms of the order of the Hon'ble High Court of Delhi, her cessation from the directorship of the Company was treated as resignation instead of removal.
 - Shri Javed Yunus retired at the 22nd Annual General Meeting of the Company.
 - Other directorship excludes directorship held in Private Companies, Foreign Companies, Companies formed under Section 25 of the Companies Act, alternate directorship and non-corporate institutions.
 - Committee positions of only two committees namely Audit Committee and Investors'/Shareholders Grievance Committee in only Indian public limited company whether listed or not have been considered pursuant to Clause 49 of the Listing Agreement.
- #### 2. Board Meeting, Board Committee Meetings and Procedures

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

(A) Audit Committee:

i) Constitution and Composition:

The Audit Committee of the Board has been functional since 1997 and comprised of 6 Directors including 4



Non-Executive Independent Directors. The Chairman of the Committee was an Independent Director. The Chairman of the Committee attended the last AGM. The Committee met 4 times on July 1, 2011, August 13, 2011, November 7, 2011 and January 21, 2012. The names and the attendance of the members at the meetings were as follows:

Sl. No.	Name of member	Status	No. of Meetings Attended
1.	Shri S. K. Ganguli	Chairman, Non-Executive Independent Director	4
2.	Dr. Raju Sharma	Non-Executive Independent Director	4
3.	Shri R. R. Rai	Non-Executive Independent Director	4
4.	Shri Sanjeev Kumar Jindal	Non-Executive Independent Director	-
5.	Smt. Shashi Sharma	Non-Executive Director	4
6.	Shri Shivendra Tomar	Managing Director	4

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

ii) Terms of Reference

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

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

(B) Remuneration and Compensation Committee

i) Composition:

During the year under report, the Remuneration Committee of the Board comprised of 3 members including 2 Non-Executive Independent Directors. The Chairman of the Committee was an Independent Director. The Committee met once during the year. The names and the attendance of the members at the meeting were as follows:

Sl. No.	Name of member	Status	No. of Meetings Attended
1.	Dr. Raju Sharma	Chairman (Non- Executive Independent Director)	1
2.	Shri V. P. Singh	Non-Executive Independent Director	1
3.	Shri Sujit K. Mandal	Non –Executive Director	1

ii) Terms of reference:

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

iii) Remuneration Policy:

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

iv) (a) Details of remuneration paid to Directors for the year 2011-12:

- (i) During the year 2011-12, an amount of ₹37,11,684/- was paid to Shri Shivendra Tomar, Managing Director and an amount of ₹35,51,115/- to Smt. Archana Capoor, Managing Director, towards the managerial remuneration.
- (ii) Incentive is payable to Managing Director/ Whole-Time Director subject to approval by the Remuneration Committee of the Board. During the year under review, no incentive was paid to the Managing Directors.
- (iii) Notice period for termination of appointment of Managing Director is three months on either side or three months’ pay in lieu thereof.
- (iv) No severance pay is payable on termination of appointment.
- (v) No Stock Appreciation Rights (SARs) have been granted.

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

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

Name of the Director	Amount (in ₹)
Shri S. K. Ganguli	1,14,000
Dr. Raju Sharma	1,00,000
Smt. Shashi Sharma	94,000
Shri Vivek Nair	8,000
Shri V. P. Singh	68,000
Shri Satpal Arora	62,000
Shri R. P. Singh	68,000
Shri Rakesh Kapoor	36,000
Shri R. R. Rai	48,000
Shri Javed Yunus	16,000

During the year under report, the Company has not paid any remuneration to Non-Executive Directors except by way of Sitting Fee which was initially being paid @ ₹8,000/-per meeting and ₹4,000/- per meeting for attending the meetings of the Board and



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its Committees respectively. However, the Sitting fee was revised to ₹12,000/- and ₹6,000/- per meeting for attending the meetings of Board and its Committees respectively w.e.f January 21, 2012.

(C) Investor-Grievances Committee:

- i) **Composition:** During the year under report, the Investor-Grievances Committee of the Board comprised of 3 Directors including 2 Non-Executive Independent Directors. The names and the attendance of the members at the meeting were as follows:

Sl. No.	Name of member	Status	No. of Meetings Attended
1.	Shri R. R. Rai	Chairman (Non-Executive Independent Director)	2
2.	Shri S. K. Ganguli	Non-Executive Independent Director	2
3.	Shri S. P. Arora	Non-Executive Director	2

During the financial year 2011-2012, the Committee met twice.

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

During the year, 160 complaints were received from the shareholders and were replied/resolved to the satisfaction of the shareholders. As on March 31, 2012, no request for transfer/transmission was pending. The Minutes of the Committee are placed to the Board for information.

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 Shri Shivendra Tomar, Managing Director, Shri B. M. Gupta, CFO and Shri Rajiv Singh, Sr. Company Secretary. During the year, the Committee had 24 meetings. A report on the meetings of Share Transfer Committee is placed before the Board for information.

4. Functional Committees

The Board is authorized to constitute one or more Functional Committees delegating thereto 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
2010-11	September 13, 2011	2.00 p.m.	Air Force Auditorium, Subroto Park, New Delhi
2009-10	September 17, 2010	2.00 p.m.	Air Force Auditorium, Subroto Park, New Delhi
2008-09	September 18, 2009	2.00 p.m.	Air Force Auditorium, Subroto Park, New Delhi

(B) Details of resolutions passed through Postal Ballot

During the year ended March 31, 2012, the Company sought approval from its shareholders for passing Special Resolution through the process of Postal Ballot in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001.

Details of resolution passed on March 26, 2012 (Notice dated January 21, 2012) through Postal Ballot.

Sl. No.	Particulars	Details/Dates
1	Date of Board Meeting	January 21, 2012
2	Scrutiniser appointed by the Board of Directors	Shri Arun Kumar Gupta F.C.S. Practicing Company Secretary
3	Date of Notice seeking Shareholders approval	January 21, 2012
4	Date of completion of dispatch of Notice	February 16, 2012
5	Last date of receipt of duly completed Postal Ballot Forms	March 23, 2012
6	Date of submission of Scrutiniser's Report	March 26, 2012
7	Date of declaration of Result	March 26, 2012

Particulars of Resolution Passed-

Sl. No.	Subject Matter of the resolution	Relevant Section under Companies Act, 1956	Nature of the resolution
1	Alteration in the Main Object Clause of the Memorandum of Association	Section 17	Special Resolution

Voting Pattern

Particulars	No. of Ballot Papers	No. of Votes	%
Votes in favour of the Resolution	905	40988850	99.975
Votes against the Resolution	284	10157	0.025
Invalid Votes	7	1500	0.00
Total	1196	41000507	100.00



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

AGM Date	Relevant provisions of the Companies Act, 1956	Particulars of Special Resolutions
13.09.2011	Section 224A	Appointment of Statutory Auditors
17.09.2010	Section 224A	Appointment of Statutory Auditors
18.09.2009	Section 224A Section 163	Appointment of Statutory Auditors Approval to maintain Register & Index of Members, Bondholders at the premises of Company's Registrar & Transfer Agent

6. Disclosures

(A) None of the director holds any shares in the Company except Shri Shivendra Tomar who holds 100 Equity Shares in the Company.

(B) There were no instances 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 Securities and Exchange Board of India (SEBI) or by the Stock Exchanges or any other statutory authority for non compliance of any matter related to the Capital market.

(C) Related Party Transactions

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

(D) Disclosure of Accounting Treatment

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

(E) Disclosure on Risk Management

Business Risk Evaluation and Management is a going process within the Company. The Company has framed the Risk Management Policy and risk minimization procedure, which is periodically reviewed by the Board.

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

(G) Means of Communication:

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

7. Reconciliation of Share Capital Audit

A Qualified Practising Company Secretary has 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 the total number of dematerialized shares held with NSDL and CDSL.

8. Code of Conduct

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

9. General Shareholders' Information company Registration Details

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

9.1 ANNUAL GENERAL MEETING is proposed to be held on Wednesday, the 18th day of July, 2012 at 2.00 p.m. at Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010.

9.2 Financial calendar (tentative)

Financial Year: April 1, 2012 to March 31, 2013 Results for the quarter ending:

June 30, 2012	- July/August 2012
September 30, 2012	- October/November 2012
December 31, 2012	- January/February 2013
March 31, 2013	- April/May 2013
Annual General Meeting	- September, 2013

9.3 Date of Book Closure

July 14, 2012 to July 18, 2012 (both days inclusive).

9.4 Dividend Payment

Credit/dispatched between August 13, 2012 to August 14, 2012.

9.5 Listing on Stock Exchanges

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

9.6 Stock-Market price data for the year 2011-2012: TFCI Share Price (in ₹)

Month & Year	BSE		NSE	
	High	Low	High	Low
April, 2011	31.15	26.60	31.20	26.35
May, 2011	29.65	26.25	29.80	26.10
June, 2011	28.25	23.60	28.20	23.50
July, 2011	32.20	26.40	32.20	26.30
August, 2011	31.00	27.30	30.95	27.10
September, 2011	31.95	28.55	32.00	28.40
October, 2011	29.35	25.25	30.25	25.50
November, 2011	26.70	21.80	26.80	21.25
December, 2011	23.70	18.15	23.75	18.55
January, 2012	25.35	19.35	25.80	19.25
February, 2012	28.30	24.20	28.40	24.45
March, 2012	26.30	23.05	26.40	23.30

Stock code: BSE: 526650, NSE: TFCILTD

Demat ISIN code: INE305A01015



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9.7 Performance in comparison to broad-based indices:

TFCI's share-price performance relative to NSE Nifty and BSE Sensex during the year 2011-12.

	(% change) TFCI's share Price	(% change) Index	(% change) TFCI relative to index
BSE Sensex	-11.40%	-10.38%	-1.02%
NSE Nifty	-11.01%	-9.37%	-1.64%

9.8 Registrar and Share-Transfer Agent:

The Company has engaged MCS 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, 1st Floor, Okhla Industrial Area, Phase I, New Delhi 110 020. RTA acknowledges and executes transfer of securities, arranges for issue of dividend/interest warrants. RTA also accepts, deals with and resolves complaints of shareholders and bondholders.

9.9 Share-Transfer System:

All the transfers are processed by the Registrar and Share Transfer Agents and are approved by the Share Transfer Committee. Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on Half Yearly 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.

9.10 Distribution of Shareholding as on March 31, 2012

No. of Shares	No. of Shareholders	% of Shareholders	No. of shares held	% of share capital
1 - 500	56904	91.34	7389498	9.15
501 - 1000	2834	4.55	2459485	3.05
1001 - 2000	1226	1.97	1962405	2.43
2001 - 3000	427	0.69	1114762	1.38
3001 - 4000	195	0.31	715832	0.89
4001 - 5000	240	0.38	1161076	1.44
5001 - 10000	264	0.42	2032032	2.52
10001 - 50000	166	0.27	3504704	4.34
50001 - 100000	20	0.03	1345890	1.67
100001 and above	23	0.04	59031064	73.13
	62299	100.00	80716748	100.00

9.11 Categories of Shareholders as on March 31, 2012

Category	Shares	% of Shares
1. Promoters//Promoters Group		
(i) IFCI Ltd.	34304266	42.50
(ii) State Bank of India	7416296	9.19
(iii) LIC	6213180	7.70
(iv) Bank of India	3790024	4.70
(v) United India Insurance Co. Ltd.	1198002	1.48
(vi) The Oriental Insurance Co. Ltd.	1041999	1.29
Total Shareholding Promoters/ Promoters Group	53963767	66.86
2. Other Financial Institutions and Banks	251665	0.31
3. Mutual Funds	3200	0.00
4. FIIs	195000	0.24
5. NRIs	378581	0.47
6. Bodies Corporate	5103895	6.32
7. General public and others	20820640	25.80
Total	80716748	100.00

9.12 Dematerialization of Shares

Sl. No.	Electronic/physical	Mode of holding %
1	NSDL	90.076
2	CDSL	6.494
3	Physical	3.430
	TOTAL	100.00

Trading in Equity Shares of the Company is permitted only in dematerialized form. As on March 31, 2012, 96.57% of Company's total Equity Shares representing 77947982 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: IFCI Tower, 61 Nehru Place, New Delhi-110019
Phone No.: 011-41732000 Fax: 011-26291152
Email: ho@tfcilt.com, Website: www.tfcil.com
Designated Email-id for investors' queries:
complianceofficer@tfcilt.com

The Company's branch/liason office is situated at: 7th Floor, Earnest House, Nariman Point, Mumbai - 400 021
Telefax No.: 022-66332038

Shareholders' correspondence should be addressed to: MCS Ltd.,

Registrar and Transfer Agent (Unit: TFCI)
F-65, 1st Floor, Okhla Industrial Area, Phase I,
New Delhi-110 020
Phone: 011-41406149/51/52, Fax: 011-41709881
Email: admin@mcsdel.com

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

10. Review of Directors' Responsibility Statement

The Board, in its Report, has confirmed that the annual accounts for the year ended March 31, 2012 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

11. Compliance Certificate of the Auditors

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

12 Management Discussion and Analysis

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

13 Managing Director/CFO Certification

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



MANAGEMENT'S DISCUSSION & ANALYSIS

The Management of your company is pleased to present an analysis report covering its performance and outlook.

1. Industry structure and developments

Tourism is one economic sector in India that has the potential to grow at a high rate and ensure consequential development of the infrastructure at the destinations. It has the capacity to capitalize on the country's success in the services sector and provide sustainable model of growth. Tourism is not only an economic growth engine but also an employment generator. The Planning Commission has identified tourism as the second largest sector in the country in providing employment opportunities to a wide spectrum of job seekers from the unskilled to the specialized one. The Indian tourism Industry experienced a strong period of growth fuelled by sustained economic growth, strengthening of ties with developed world via opening of other sectors. During the year 2011, the number of Foreign Tourist Arrivals (FTAs) in India reached the level of 6.29 million, registering a growth of 8.9% over the FTAs of 5.78 million in the year 2010. The growth rate of 8.9% in tourist arrivals in India was almost double the growth of 4.4% in tourist arrivals worldwide. The tourism sector in India, therefore, has fared better vis-à-vis the world. Foreign Exchange Earnings(FEE) from tourism in India during 2011 were USD16.56 billion as compared to USD 14.19 billion in 2010, registering a growth of 16.7%. FTAs during the period January-April 2012 were 2.43 million with a growth of 8.3% over the corresponding period of January-April 2011. FEE from tourism in terms of USD during January-April 2012 were USD 6274 million with a growth of 14.6% over the corresponding previous year figure at USD 5474 million during January-April 2011.

Your Company, during the last few years has been pursuing to expand its portfolio by not only extending financial assistance to new hospitality projects for renovation, upgradation but also has been actively pursuing consultancy assignments for various state governments by drafting tourism policy, other project advisory services for tourism destination/circuit development.

2. Opportunities and threats

Tourism plays an important role in economic development and creation of jobs in India. Tourism has the potential to stimulate other economic activities through its forward and backward linkages with a host of sectors like agriculture, manufacturing, transport, hospitality, education, health, banking etc. Continuing world prosperity, growing recognition of tourism's contribution to employment and economic growth, availability of better infrastructure, focused marketing and promotional efforts, liberalization of air transport, growing intraregional cooperation and more effective Public-Private-Partnership are seen as the key drivers for tourism in the coming time. It is imperative to point out that India has the advantage of a strong domestic tourism base which was 740 million tourism visits in 2010. This base is growing continuously on the back of a rapidly rising middle class with increased disposable income and awareness.

Your Company is well poised to take advantage of the growing opportunities in the tourism and hospitality sector by expanding and diversifying its operations in line with its business strategy of maintaining sustainable and continuous growth in operations and

performance. In addition to the normal project financing activities, your Company will continue to explore possibilities for new businesses for short and medium term with the aim of establishing a niche market for itself in products like short and medium term loans against liquid securities, take out financé, promoters' funding etc. With the growth in the tourism sector, your Company expects ample opportunities in future where the Company can involve itself in appraisal, advisory services, syndication of debts etc. resulting in non fund based income for the Company.

The overall inflationary conditions in the market has pushed up the cost of funds and in turn, impacted the profit margins of the Company. Your Company also faces competition from Banks that have access to large amount of funds at lower cost in comparison to your Company, being an NBFC. However, owing to growth in the balance sheet size without NPAs, your Company expects to improve its top and bottom line in a consistent manner. Though the existing infrastructure in the country is improving steadily, a lot remains to be achieved if the momentum in the growth of the industry is to be maintained. The tourism sector in the country has been experiencing huge deficit in quality human resources which is a bottleneck in the improvement of country's tourism potential. Tourism industry is also prone to external threats like law and order problems, domestic insurgency, terrorism and global political & economic scenario situations which adversely affect the sector. Your Company actively follows prudent managerial and business practices to overcome such situations successfully.

3. Performance

The operational performance of your Company has improved over the previous year despite difficult business environment. The gross income has gone up by 19% during the year under review as compared to corresponding previous year. Your Company has achieved a growth of 11.40% in Net Profit After Tax (PAT) over the corresponding previous year figure. It is worth mentioning that your Company has achieved this performance without any extraordinary income as against a substantial amount of ₹16.20 Crore during the previous financial year 2010-11. The total sanctions of ₹779.98 Crore were made during the financial year 2011-12 comprising of project-related sanctions of ₹718.80 Crore and average investment in liquid funds amounting to ₹61.18 Crore (previous year ₹738.16 Crore comprising of project-related sanctions of ₹671.05 Crore and average investment in liquid funds amounting to ₹67.11 Crore). TFCI has made disbursement of ₹563.24 Crore during the financial year 2011-12 comprising of project-related disbursements of ₹502.06 Crore and average investment in liquid funds amounting to ₹61.18 Crore (previous year ₹378.75 Crore comprising of project-related disbursements of ₹311.64 Crore and average investment in liquid funds amounting to ₹67.11 Crore) registering a remarkable growth of around 49% over the previous year. In order to avail opportunities in sectors other than tourism, hospitality and infrastructure, the Object Clause of the Memorandum of Association of the Company was amended/enlarged with your approval. This amendment enabled the Company to venture into financing of projects in other sectors.

4. Outlook

India being a land of rich natural diversity has consistently been on



the tourists' radar and tourism has been on a growth trajectory. India is presently considered as a provider of low cost medical treatments which has given impetus to the growth in medical tourism. These factors have contributed to the growth of tourism which is a powerful driver for growth of the hospitality sector. The opening up/expansion of the aviation sector has provided the needed thrust. The hotel industry in India thrives largely due to the growth in tourism and travel. Due to growth in foreign tourist arrivals and domestic tourists, hospitality sector is also growing. Emergence of budget hotels in India to cater to the majority of tourists seeking affordable stay, has materialized into an effective driver for growth. The business travel and MICE are also expected to be the possible growth segments.

India's travel and tourism sector is expected to be the second largest employer. The sector creates large scale employment, both direct and indirect, for diverse sections of society i.e. from the most specialized one to un-skilled workforce. It provides 6-7 percent jobs directly and millions more indirectly through a multiplier effect as per World Tourism Organization (WTO) estimates. By 2021 the Tourism industry will account for 30.44 million jobs directly, an increase of 5.51 million (22.1 per cent) over the next ten years. This includes employment by hotels, travel agents, airlines and other passenger transportation services.

According to the latest Tourism Satellite Accounting (TSA) research, released by the World Travel and Tourism Council (WTTC), the demand for travel and tourism in India is expected to grow by 8.2% between 2010 and 2019. This will place India at the third position in the world. Capital investment in India's travel and tourism sector is expected to grow at 8.8 % between 2010 and 2019. The report forecasts India to get more capital investment in the travel and tourism sector and is projected to become the fifth fastest growing business travel destination from 2010 through 2020.

India presently has an estimated 114000 hotel rooms spread across hotels in various categories. The various research reports and survey carried out by the Ministry of Tourism, Govt. of India as well as by the associations associated with the tourism industry, suggest a shortfall of about 150000 rooms in different segments. The hotel industry universally is sensitive to economic cycles and does face it troughs as well as highs based on the supply and demands of the rooms at any point. The mid-market and budget hotels in India have the maximum potential given the domestic demand from business and tourism sector. Domestic tourism plays an important role in overall tourism development in the country.

In spite of low rankings on the competitiveness scale, it is clear that India can leverage its higher rankings in certain other categories to exploit its tourism potential over the next decade with proper planning. This potential, exploited in an intelligent and sustainable manner, can prove to be the engine of growth for India. This can be achieved only with active cooperation from the States/UTs.

5. Risks and concerns:

Credit risk: Credit risk occurs when borrower(s), as a counter party, fails to meet its contractual obligations. Credit risk applies not only to loans, but also to other on and off-balance sheet exposure such as guarantees, acceptances and investments in securities. Project lending involves certain inherent risks in a developing economy where long-term macro-economic adjustments towards stability are still in progress. Projects under implementation are prone to time

and cost overruns, sometimes due to factors beyond the control of the borrower. These factors may include changes in industrial/economic policies affecting the viability of projects adversely and/or cost escalation owing to inflation. Project failure may also occur due to adverse market situations and/or mismanagement. Your Company is making all efforts to identify such risks and factors by constantly reviewing and improving appraisal techniques, sensitivity analysis as well as other factors i.e. Project's ability to withstand changes, expertise and experience of the borrowers to cope with the adverse situations. Your Company continues to give utmost priority to its credit appraisal mechanism and building up quality assets. The monitoring and supervision of the projects is done on a continuous basis and conscious efforts are made continuously to improve recovery, ensure greater control over financed projects and reduce credit risks.

Interest-rate risk: Interest-rate risks arise out of mismatches between interest-rate-sensitive assets and liabilities. The Company manages such risks by fixing lending interest rates at a level linked to its marginal cost of funds 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.

6. Internal control systems and their adequacy:

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

7. Discussion on financial performance

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

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, 2012 was 35.



Managing Director / Chief Financial Officer (CFO) Certification

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

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

Place : New Delhi
Date : April 19, 2012

(B.M. Gupta)
Chief Financial Officer

(Shivendra Tomar)
Managing Director

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

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel for the financial year ended March 31, 2012.

Place : New Delhi
Date : April 19, 2012

(Shivendra Tomar)
Managing Director

Auditors' Certificate on Corporate Governance

To the Members of Tourism Finance Corporation of India Limited

We have examined the compliance of conditions of Corporate Governance by Tourism Finance Corporation of India Limited for the year ended 31st March, 2012, as stipulated in Clause 49 of Listing Agreement of the Company with Stock Exchanges

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

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

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

FOR S.S. KOTHARI & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 305147E

Place: New Delhi
Date : April 19, 2012

Naveen Aggarwal
Partner
Membership No. 094380



TOURISM FINANCE CORPORATION OF INDIA LIMITED

APPENDIX TO DIRECTORS' REPORT

TYPE OF PROJECTWISE AND PURPOSE WISE CLASSIFICATION OF FINANCIAL ASSISTANCE SANCTIONED

(₹ in Lakhs)

Purpose	New		Expansion		Ren./Eq. Finance		Exp/Reno/ Acq./Restr.		Total	
	No	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
5 STAR HOTEL	3	12600	0	0	0	0	3	9500	6	22100
	75	134875	16	17876	15	6808	19	30777	125	190336
4 STAR HOTEL	2	8800	0	0	0	0	0	0	2	8800
	41	50746	6	7457	5	1995	4	1590	56	61788
3 STAR HOTEL	3	8700	0	0	0	0	1	3000	4	11700
	245	130892	22	12587	11	3743	36	21277	314	168499
2 STAR HOTEL	2	3740	0	0	0	0	0	0	2	3740
	23	9138	1	388	1	90	2	323	27	9939
HERITAGE	0	0	0	0	0	0	0	0	0	0
	17	3764	3	1030	2	425	2	586	24	5805
UNCLASSIFIED	0	0	0	0	0	0	0	0	0	0
	2	1210	0	0	1	24	1	56	4	1290
AMUSEMENT PARK/ SHOPPING COMPLEX- CUM-ENT. CENTRE/ WATER PARK/ MULTIPLEX/ ACTIVITY CENTRE/ INTEGRATED	2	4040	0	0	0	0	0	0	2	4040
	33	28683	3	190	0	0	3	1267	39	30140
RESTAURANT	0	0	0	0	0	0	1	1500	1	1500
	16	5544	3	1835	3	109	2	1805	24	9293
TOURIST CARS/ COACHES	0	0	0	0	0	0	1	5000	1	5000
	2	241	3	1326	2	600	1	5000	8	7167
RTDC/PALACE ON WHEELS	0	0	0	0	0	0	0	0	0	0
	2	2150	0	0	1	1000	1	500	4	3650
OTHERS	0	0	0	0	1	5000	3	10000	4	15000
	32	36585	3	3600	3	5273	7	13829	45	59287
INFRASTRUCTURE PROJECTS	0	0	0	0	0	0	0	0	0	0
	2	6300	1	3000	0	0	2	4500	5	13800
TOTAL	12	37880	0	0	1	5000	9	29000	22	71880
	490	410128	61	49289	44	20067	80	81510	675	560994

Normal - Current Year (2011-2012)

Highlighted - Cumulative



AUDITORS' REPORT

To
The Members of
Tourism Finance Corporation of India Limited

1. We have audited the attached Balance Sheet of **Tourism Finance Corporation of India Limited**, as at March 31, 2012 and also statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 {hereinafter referred to as order} issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956
 - (v) On the basis of the written representation received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information

and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
- (b) In the case of statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **S.S. Kothari & Associates**
Chartered Accountants
Firm Reg. No. 305147E

Naveen Aggarwal

Partner

Place : New Delhi

Date : 19th April, 2012

M.No. 94380

ANNEXURE TO THE AUDITOR'S REPORT

(As referred in paragraph 3 of our report to the members of **Tourism Finance Corporation of India Limited** on the accounts for the year ended 31st March 2012)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification as compared to book records.
- (c) The company has not disposed off any substantial part of its fixed assets during the period under report.
- (ii) The company does not hold any inventory. Hence, the provisions of Clause 4(ii) (a), (b) & (c) of the Order are not applicable to the company.
- (iii) (a) The company has not granted any loan, secured or unsecured, to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of Clause, 4(iii) (b, c & d) of the Order are not applicable to the Company.
- (b) The company has not taken any loan, secured or unsecured, from the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of Clause 4(iii) (e, f & g) of the Order are not applicable to the company.
- (iv) In our opinion and according to the information and



TOURISM FINANCE CORPORATION OF INDIA LIMITED

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

- (v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the register required to be maintained under section 301 of the Companies Act, 1956. Hence, the provisions of Clause 4(v) (b) of the Order are not applicable to the company.
- (vi) The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable to the Company.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business and activities.
- (viii) According to information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of business carried out by the Company. Therefore, provisions of Clause 4(viii) of the Order are not applicable to the Company.
- (ix) (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrear as at 31st March 2012 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax, income tax, excise duty and cess as at 31st March 2012 which have not been deposited on account of a dispute are as follows:

Name of the Statute	Assessment Year(s)	₹ in Lakh	Forum where the dispute is pending
Income Tax	2008-09	448.78	CIT(Appeals)
Income Tax	2009-10	312.56	CIT(Appeals)

- (x) The company has no accumulated losses as at 31st March, 2012 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) In our Opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or bond holders.
- (xii) We are of the opinion that the company has maintained adequate records where the company has granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, Clause 4(xiii) of the Order is not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) As per the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short- term basis have been used for long term investment.
- (xviii) According to the information and explanation given to us, during the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) During the period covered by our audit report, the Company has issued unsecured bonds on which no security or charge is required to be created.
- (xx) The company has not raised any money by public issue during the year therefore clause 4(xx) of the Order is not applicable to the company.
- (xxi) Based upon the audit procedure performed for the purpose of reporting true and fair view and on the basis of the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S.S. Kothari & Associates**
Chartered Accountants
Firm Reg. No. 305147E

Naveen Aggarwal
Partner
M.No. 94380

Place : New Delhi
Date : 19th April, 2012



BALANCE SHEET AS AT MARCH 31, 2012

(In ₹)

PARTICULARS	NOTE NO.	AS AT 31 MARCH, 2012	AS AT 31 MARCH, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	80,71,67,480	80,71,67,480
(b) Reserves and Surplus	3	<u>2,96,62,84,824</u>	<u>2,59,37,99,677</u>
		3,77,34,52,304	3,40,09,67,157
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	7,58,58,00,000	4,58,44,00,000
(b) Other Long Term Liabilities	5	1,03,10,545	57,45,205
(c) Long Term Provisions	6	<u>5,44,19,382</u>	<u>5,12,77,911</u>
		7,65,05,29,927	4,64,14,23,116
(3) Current Liabilities			
(a) Short Term Borrowings	7	-	22,35,27,015
(b) Other Current Liabilities	8	40,04,66,716	49,99,17,829
(c) Short Term Provisions	9	<u>13,49,09,405</u>	<u>12,55,07,165</u>
		53,53,76,121	84,89,52,009
TOTAL		<u>11,95,93,58,352</u>	<u>8,89,13,42,282</u>
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		27,37,96,652	29,01,54,930
(ii) Intangible Assets		15,18,000	20,24,000
(b) Non Current Investments	11A	21,80,11,874	22,87,41,874
(c) Deferred Tax Assets (Net)	12	3,18,23,723	4,44,48,768
(d) Long Term Loans and Advances	13	<u>8,97,78,68,730</u>	<u>5,68,34,43,493</u>
		9,50,30,18,979	6,24,88,13,065
(2) Current Assets			
(a) Current Investments	11B	76,98,14,997	30,16,10,752
(b) Cash and Bank Balances	14	18,31,39,210	1,08,64,696
(c) Short Term Loans & Advances	13	1,40,54,10,841	2,25,47,20,862
(d) Other Current Assets	15	6,76,03,466	6,12,71,824
(e) Book Debts	16	<u>3,03,70,859</u>	<u>2,45,63,39,373</u>
		2,45,63,39,373	1,40,61,083
TOTAL		<u>11,95,93,58,352</u>	<u>8,89,13,42,282</u>

Significant Accounting Policies

The Notes No. 1 to 32 are integral part of these financial statements

As per our report of even date

For S.S. Kothari & Associates

(Chartered Accountants)

Firm Regn. No.305147E

(Naveen Aggarwal)

Partner

M.No.94380

(Rajiv Singh)
Sr. Company Secretary(R.R. Rai)
Director(B.M. Gupta)
Chief Financial Officer(S.K. Mandal)
Director

For and on behalf of the Board of Directors

(Shivendra Tomar)
Managing Director(S. K. Ganguli)
Director

Dated : April 19, 2012

Place : New Delhi



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	NOTE NO.	(In ₹)	
		YEAR ENDED 31 MARCH 2012	YEAR ENDED 31 MARCH 2011
I. Revenue			
(1) Revenue from Operations	17	1,29,27,09,384	1,08,99,39,270
(2) Other Income	18	1,05,24,463	53,55,603
II. Total Revenue (I +II)		1,30,32,33,847	1,09,52,94,873
III. Expenses:			
(1) Employee benefit expenses	19	6,39,89,130	6,80,50,953
(2) Finance costs	20	59,25,77,214	41,63,85,365
(3) Depreciation and Amortization expense	10	1,73,87,227	1,84,96,892
(4) Other expenses	21	5,84,58,868	3,93,64,280
(5) Provisison/(Written Back) for doubtful debts/investments		(6,00,00,000)	(13,50,00,000)
Total Expenses		67,24,12,439	40,72,97,490
IV. Profit before exceptional & extraordinary items and tax (III - IV)		63,08,21,408	68,79,97,383
V. Exceptional items		-	-
VI. Profit before extraordinary items and tax (V - VI)		63,08,21,408	68,79,97,383
VII. Extraordinary items		-	-
VIII. Profit before tax (VII - VIII)		63,08,21,408	68,79,97,383
IX. Tax expense:			
(1) Current tax	12,35,00,000		17,01,00,000
(2) Earlier Years	-		7,07,75,923
(3) Deferred tax	1,26,25,045	13,61,25,045	30,16,959
X. Profit/(Loss) from the period from continuing operations (IX - X)		49,46,96,363	44,41,04,501
XI. Profit/(Loss) from discontinuing operations		-	-
XII. Tax expense of discounting operations		-	-
XIII. Profit/(Loss) from Discontinuing operations (after tax)(XII - XIII)		-	-
XIV. Profit/(Loss) for the period (XI + XIV)		49,46,96,363	44,41,04,501
XV. Earning per equity share			
(1) Basic		6.13	5.50
(2) Diluted		6.13	5.50

Significant Accounting Policies

The Notes No. 1 to 32 are integral part of these financial statements

As per our report of even date

For S.S. Kothari & Associates

(Chartered Accountants)

Firm Regn. No.305147E

(Naveen Aggarwal)

Partner

M.No.94380

(Rajiv Singh)
Sr. Company Secretary

(R.R. Rai)

Director

(B.M. Gupta)
Chief Financial Officer

(S.K. Mandal)

Director

For and on behalf of the Board of Directors

(Shivendra Tomar)
Managing Director

(S. K. Ganguli)

Director

Dated : April 19, 2012

Place : New Delhi



NOTE No. 1

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting:

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the requirements of the Companies Act, 1956 and in compliance with the applicable accounting standards referred to in sub-section (3C) of the section 211 of the said Act. The accounting policies, except stated otherwise, have been consistently applied by the Company.

2. Revenue Recognition:

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

3. Fixed Assets and Depreciation:

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

4. Investments:

- a) One of the principal business of the Company is the acquisition of shares and securities; accordingly purchases and sales made during the year are not required to be disclosed under Schedule VI Part I (1). Transaction details of Investments in units, that are not investment in body corporate, are also not shown separately except opening & closing stock.
- b) The cost of acquisition of investments is arrived at after adjusting front-end fee/underwriting commission received on subscription/development.
- c) The investments are categorized into “Long Term Investments” and “Current Investments” as per Accounting Standard-13 on “Accounting for investments” referred to in Section 211(3C) of the companies Act, 1956 for Investments.
- d) The investment under “Current Investments” are valued on the basis of market value/break up value or cost whichever is lower.
- e) The investment under “Long Term Investments” are valued at cost less permanent diminution in value, wherever applicable, for each individual investment.

5. Loans to Companies :

- a) Pursuant to the prudential norms of the Reserve Bank of India for the purposes of the revenue recognition and provisioning, loans given have been treated as performing and non-performing based on the record of recovery of interest/ installments. Payments received upto the Balance Sheet date have been considered for treating the account as performing.
- b) General provision for standard & substandard assets and specific provision for doubtful assets and loss assets is being made in accordance with applicable RBI guidelines. However, the Board of Directors, as a matter of prudence has decided to make additional provision against outstanding assets portfolio maximum upto 4% of the total assets outstanding in addition to the provisions as per RBI guidelines. The balance in the Special Reserve created in terms of Section 36(1)(viii) of the Income-tax Act, 1961, is also available to cover any loss on loans given.

6. Retirement Benefits :

a) Gratuity:

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

b) Provident Fund:

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

c) Leave Encashment:

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

7. Taxation & Deferred Taxation:

The provision for taxation & deferred taxation is made as per the income tax act 1961 and Accounting Standard 22, as issued by ICAI, respectively.

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



TOURISM FINANCE CORPORATION OF INDIA LIMITED

NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2012	As At 31 March, 2011
2	SHARE CAPITAL		
	Authorised Share Capital		
	25,00,00,000 Equity Shares (P. Y. 25,00,00,000) of ₹10/- each	2,50,00,00,000	2,50,00,00,000
	25,00,00,000 Cumulative Redeemable Preference Shares (P. Y. 25,00,00,000) of ₹10/- each	2,50,00,00,000	2,50,00,00,000
	TOTAL	5,00,00,00,000	5,00,00,00,000
	Issued, Subscribed And Paid Up Share Capital		
	8,07,16,748 Equity Shares (P.Y. 8,07,16,748) of ₹10/- each Fully Paid Up	80,71,67,480	80,71,67,480
	TOTAL	80,71,67,480	80,71,67,480

Terms / rights attached to equity shares

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

Terms / rights attached to preference shares

The company has only one class of preference shares having a par value of ₹10 per share.

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

Shareholders holding more than 5% of Shares in the company

	No of Shares	% of shares	No of Shares	% of shares
(a) IFCI Ltd.	3,43,04,266	42.50%	3,05,58,520	37.86%
(b) State Bank of India	74,16,296	9.19%	74,16,296	9.19%
(c) Life Insurance Corporation of India	62,13,180	7.70%	62,13,180	7.70%

3 RESERVES AND SURPLUS

(a) Capital Reserve

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

(b) Security Premium Reserve

Balance at the beginning of the year	64,91,87,668	64,91,87,668
Add: Current Year Transfer	-	-
Less: Utilised during the year	96,37,988	-
Balance at the end of the year	63,95,49,680	64,91,87,668

(c) Special Reserves

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

Balance at the beginning of the year	83,47,33,000	71,18,24,000
Add: Current Year Transfer	9,71,00,000	12,29,09,000
Less: Written Back in Current period	-	-
Balance at the end of the year	93,18,33,000	83,47,33,000



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

		(In ₹)	
Note			
No. Particulars	As At 31 March, 2012	As At 31 March, 2011	
(ii) Under Section 45 IC of RBI Act, 1934			
Balance at the beginning of the year	15,69,75,000	6,81,54,000	
Add: Current Year Transfer	9,89,39,000	8,88,21,000	
Less: Written Back in Current period	-	-	
Balance at the end of the year	<u>25,59,14,000</u>	<u>15,69,75,000</u>	
(iii) Under Section 36(1)(vii) of the Income Tax Act 1961			
Balance at the beginning of the year	2,69,49,000	-	
Add: Current Year Transfer	1,99,00,000	2,69,49,000	
Less: Written Back in Current period	-	-	
Balance at the end of the year	<u>4,68,49,000</u>	<u>2,69,49,000</u>	
(d) General Reserve			
Balance at the beginning of the year	84,92,09,294	79,92,09,294	
Add: Current Year Transfer	10,00,00,000	5,00,00,000	
Less: Written Back in Current period	-	-	
Balance at the end of the year	<u>94,92,09,294</u>	<u>84,92,09,294</u>	
(e) Surplus in Profit and Loss Statement			
Balance at the beginning of the year	7,55,90,715	3,27,38,442	
Add: Current Year Transfer	49,46,96,363	44,41,04,501	
Less: Provision u/s 36(1)(vii) of the Income Tax Act 1961	1,99,00,000	2,69,49,000	
Less: Special reserve u/s 36(1)(viii) of the Income Tax Act 1961	9,71,00,000	12,29,09,000	
Less: Special reserve u/s 45 IC of the RBI Act, 1934	9,89,39,000	8,88,21,000	
Less: General reserve	10,00,00,000	5,00,00,000	
Less: Proposed Dividend	9,68,60,098	9,68,60,098	
Less: Provision for Dividend tax	1,57,13,130	1,57,13,130	
Balance at the end of the year	<u>14,17,74,850</u>	<u>7,55,90,715</u>	
GRAND TOTAL	<u><u>2,96,62,84,824</u></u>	<u><u>2,59,37,99,677</u></u>	

4 LONG TERM BORROWINGS**a) Bonds****- Unsecured****9.65% Bonds (2022) (Series MB XLIII)**

56,50,00,000 -

565 Nos of 9.65% Bonds of ₹10,00,000/- each

Redeemable at par on 19 April 2022

With call option after 7 years (i.e 19 April 2019)

10.20% Bonds (2021) (Series MB XLII)

1,00,00,00,000 -

1000 Nos of 10.20% Bonds of ₹10,00,000/- each

Redeemable at par on 16 November 2021

10.15% Bonds (2021) (Series MB XLI)

1,00,00,00,000 -

1000 Nos of 10.15% Bonds of ₹10,00,000/- each

Redeemable at par on 01 September 2021

8.90% Bonds (2020) (Series MB XXXX)

50,00,00,000 50,00,00,000

500 Nos of 8.90% Bonds of ₹10,00,000/- each

Redeemable at par on 29 November 2020

8.50% Bonds (2013) (Series MB XXXVII)

9,07,00,000 9,07,00,000

907 Nos of 8.50% Bonds of ₹1,00,000/- each

Redeemable at par on 24 December 2013



TOURISM FINANCE CORPORATION OF INDIA LIMITED

NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No. Particulars	As At 31 March, 2012	As At 31 March, 2011
8.50% Bonds (2013) (Series MB XXXVI)	58,01,00,000	58,01,00,000
5801 Nos of 8.50% Bonds of ₹1,00,000/- each Redeemable at par on 31 October 2013		
8.75% Bonds (2013) (Series MB XXXV A)	35,00,00,000	35,00,00,000
3500 Nos of 8.75% Bonds of ₹1,00,000/- each Redeemable at par on 27 May 2013		
10.50% Bonds (2013) (Series MB XXXV)	- *	1,98,00,000
196 Nos of 10.50% Bonds of ₹1,00,000/- each Redeemable at par on 31 March 2013		
10.50% Bonds (2013) (Series MB XXXII)	- *	29,38,00,000
2938 Nos of 10.50% Bonds of ₹1,00,000/- each Redeemable at par on 16 January 2013		
* Amount disclosed under other current liabilities in note 8		
TOTAL	<u>4,08,58,00,000</u>	<u>1,83,44,00,000</u>
SUBORDINATE DEBT		
9.50% Bonds (2019) (Series MB XXXVIII)	75,00,00,000	75,00,00,000
750 Nos of 9.50% Bonds of ₹10,00,000/- each Redeemable at par on 30 April 2019		
9.50% Bonds (2019) (Series MB XXXIX)	25,00,00,000	25,00,00,000
250 Nos of 9.50% Bonds of ₹10,00,000/- each Redeemable at par on 30 April 2019		
TOTAL	<u>1,00,00,00,000</u>	<u>1,00,00,00,000</u>
TOTAL Bonds	<u><u>5,08,58,00,000</u></u>	<u><u>2,83,44,00,000</u></u>
b) Term Loans from Banks		
- Secured		
(Secured By Hypothecation of Book Debts/future receivables)		
Dhanlaxmi Bank Ltd.	-	25,00,00,000
Term Loan is Repayable on 30 June 2015 - ₹25,00,00,000/-		
State Bank of India	50,00,00,000	50,00,00,000
Term Loan is Repayable on 14 June 2015 - ₹50,00,00,000/-		
Central Bank of India	50,00,00,000	50,00,00,000
Term Loan is Repayable on 15 March 2015 - ₹50,00,00,000/-		
Union Bank of India	50,00,00,000	50,00,00,000
Term Loan is Repayable on 22 March 2014 - ₹15,00,00,000/-		
Term Loan is Repayable on 22 March 2015 - ₹15,00,00,000/-		
Term Loan is Repayable on 22 March 2016 - ₹20,00,00,000/-		
State Bank of India	1,00,00,00,000	-
Term Loan is Repayable on 28 March 2014 - ₹100,00,00,000/-		
TOTAL	<u>2,50,00,00,000</u>	<u>1,75,00,00,000</u>
GRAND TOTAL	<u><u>7,58,58,00,000</u></u>	<u><u>4,58,44,00,000</u></u>



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

		(In ₹)	
Note No.	Particulars	As At 31 March, 2012	As At 31 March, 2011
5	OTHER LONG TERM LIABILITIES		
	Security Deposits Received	45,65,340	-
	Advance received from customers	57,45,205	57,45,205
	TOTAL	1,03,10,545	57,45,205
6	LONG TERM PROVISIONS		
	Provision for Employee Benefits	1,46,19,382	1,14,77,911
	Contingent Provision Against Standard Assets	3,98,00,000	3,98,00,000
	Balance at the beginning of the year	3,98,00,000	3,98,00,000
	Add: Current Year Transfer	-	-
	Less: Written Back in Current period	-	-
	Balance at the end of the year	3,98,00,000	3,98,00,000
	TOTAL	5,44,19,382	5,12,77,911
7	SHORT TERM BORROWINGS		
	- Secured		
	Bank Overdraft	-	22,35,27,015
	(Secured By Hypothecation of Book Debts/Future receivables)		
	TOTAL	-	22,35,27,015
8	OTHER CURRENT LIABILITIES		
	Current Maturities of Long Term Borrowings		
	- Term Loans (Secured)	-	-
	- Bonds (Unsecured)	31,34,00,000	40,87,00,000
	Interest Accrued but not due on Borrowings	7,08,65,754	7,50,67,237
	Unpaid Dividend	85,34,175	74,58,371
	Advance received from customers	40,88,513	49,03,505
	Statutory Dues	33,69,143	22,50,990
	Other Payables	2,09,131	15,37,726
	TOTAL	40,04,66,716	49,99,17,829
9	SHORT TERM PROVISIONS		
	Provision for Employee Benefits	1,53,43,303	1,23,96,063
	Other Provisions		
	- Proposed Dividend (including dividend distribution tax)	11,25,73,228	11,25,73,228
	- Provision for Expenses	69,92,874	5,37,874
	TOTAL	13,49,09,405	12,55,07,165



Note No.

10 FIXED ASSETS AS AT 31ST MARCH, 2012

(In ₹)

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at 01/04/2011	Addition	Deletions	As at 31/03/2012	As at 01/04/2011	Addition	Adjustments	As at 31/03/2012	As at 31/03/2011
Tangible Assets									
Leased Assets									
Plant & Machinery	1,30,33,143	-	-	1,30,33,143	1,30,33,143	-	-	1,30,33,143	-
Furniture & Fixture	31,08,500	-	-	31,08,500	31,08,500	-	-	31,08,500	-
Vehicles	69,66,857	-	-	69,66,857	69,66,857	-	-	69,66,857	-
Sub Total A	2,31,08,500	-	-	2,31,08,500	2,31,08,500	-	-	2,31,08,500	-
Other Assets									
Building	34,18,11,183	-	-	34,18,11,183	6,62,26,653	1,37,79,227	-	8,00,05,880	26,18,05,303
Furniture & Fixture	1,14,95,191	85,288	4,49,163	1,11,31,316	55,03,937	10,76,089	1,04,446	64,75,580	46,55,736
Office Equipment	51,33,001	2,67,949	1,95,469	52,05,481	29,51,310	3,07,197	49,184	32,09,323	19,96,158
Electricals	30,99,982	-	-	30,99,982	10,93,413	2,79,114	-	13,72,527	17,27,455
Computers	1,03,63,766	6,90,679	59,800	1,09,94,645	88,98,694	6,82,107	29,835	95,50,966	14,43,679
Vehicles	54,48,762	-	-	54,48,762	25,22,948	7,57,493	-	32,80,441	29,25,814
Sub Total B	37,73,51,885	10,43,916	7,04,432	37,76,91,369	8,71,96,955	1,68,81,227	1,83,465	10,38,94,717	27,37,96,652
Total C= (A+B)	40,04,60,385	10,43,916	7,04,432	40,07,99,869	11,03,05,455	1,68,81,227	1,83,465	12,70,03,217	27,37,96,652
Intangible Assets									
Computer Software	25,30,000	-	-	25,30,000	5,06,000	5,06,000	-	10,12,000	20,24,000
Sub Total D	25,30,000	-	-	25,30,000	5,06,000	5,06,000	-	10,12,000	20,24,000
Grand Total C+D	40,29,90,385	10,43,916	7,04,432	40,33,29,869	11,08,11,455	1,73,87,227	1,83,465	12,80,15,217	27,53,14,652
As on 31.03.2011	39,58,59,549	71,74,175	43,339	40,29,90,385	9,23,26,933	1,84,96,892	12,370	11,08,11,455	29,21,78,930



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note

No.	Particulars	As At 31 March, 2012			As At 31 March 2011		
		Face Value	Nos	Amount	Face Value	Nos	Amount
11A	NON CURRENT INVESTMENTS						
	Long Term Investments						
	Non-Trade - Unquoted						
	a Investments in Equity Instruments						
	- Associates						
	North East Tourism Dev. Corpn. Pvt. Ltd.	10	2600	26,000	10	2600	26,000
	- Others						
	Cross Country Hotels Ltd.	10	250000	24,62,500	10	250000	24,62,500
	Balaji Hotels Ltd.	10	170000	2,55,00,000	10	170000	2,55,00,000
	Hotel Parag Ltd.	10	826258	82,62,580	10	826258	82,62,580
	Assets Care Enterprises Ltd.	10	2040000	2,04,00,000	10	2040000	2,04,00,000
	Sherwood Hotels & Resorts Pvt. Ltd.	-	-	-	100	20000	20,00,000
	Shell Inn International Limited	10	13700000	13,70,00,000	10	14000000	14,00,00,000
	TOTAL			<u>19,36,51,080</u>			<u>19,86,51,080</u>
	b Investment in Preference Shares						
	IFCI Ltd.	10	2000000	2,00,00,000	10	2000000	2,00,00,000
	0.10% Redeemable Cumulative Preference Shares						
	Royale Manore Hotel & Industries Ltd	100000	126	1,26,00,000	100000	184	1,83,30,000
	4% Optionally Convertible Preference Shares						
	Appu Hotels Ltd	10	6000000	6,00,00,000	10	6000000	6,00,00,000
	6% Redeemable Cumulative Preference Shares						
	TOTAL			<u>9,26,00,000</u>			<u>9,83,30,000</u>
	GRAND TOTAL			<u>28,62,51,080</u>			<u>29,69,81,080</u>
	Less: Provision for Diminution in Value of investments			6,82,39,206			6,82,39,206
	Net Long Term Investments			21,80,11,874			22,87,41,874
	Aggregate Amount of Unquoted Investments			28,62,51,080			29,69,81,080
11B	CURRENT INVESTMENTS						
	(also refer note no. 1)						
	Quoted						
	a Equity Shares						
	Nicco Parks and Resorts Ltd.	1	1000000	15,00,000	1	1000000	15,00,000
	ITC Ltd.	-	-	-	10	423590	3,73,82,492
	IDFC Ltd	10	7350	2,49,900	10	7350	2,49,900
	Union Bank of India	10	4586	5,04,460	10	4586	5,04,460
	Viceroy Hotels Ltd.	10	200000	2,00,00,000	10	200000	2,00,00,000
	Punjab Woolcombers Ltd.	10	2500	21,500	10	2500	21,500
	Reliance Power Ltd.	10	12275	34,52,400	10	12275	34,52,400
	IFCI Ltd.	10	15640537	45,81,82,882		-	-
	b Units of Liquid Mutual Funds			<u>28,59,03,855</u>			<u>23,85,00,000</u>
	Total Current Investments			<u>76,98,14,997</u>			<u>30,16,10,752</u>
	Aggregate Amount of Quoted Investments			76,98,14,997			30,16,10,752
	Aggregate Market Value of Quoted Investments			96,66,50,316			56,11,05,476



TOURISM FINANCE CORPORATION OF INDIA LIMITED

NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2012	As At 31 March, 2011
12	DEFERRED TAX ASSETS (NET)		
	Deferred tax asset due to:		
a)	Provision for doubtful debts and advances	2,74,43,842	3,97,91,189
b)	Provision for diminution in value of investments	1,68,26,560	1,68,26,560
c)	Provision for Gratuity	27,23,630	19,49,000
	Deferred tax liability due to:		
a)	Depreciation	(1,51,70,309)	(1,41,17,981)
	TOTAL	3,18,23,723	4,44,48,768

13 LONG TERM LOANS & ADVANCES

Secured (Considered Good)*

	Non Current Portion	Current Maturities	Non Current Portion	Current Maturities
Loan to Companies	8,74,35,01,313	1,31,60,61,801	5,47,28,66,274	2,13,28,38,974
Debentures	10,70,68,276	8,54,25,000	14,62,98,277	11,78,26,119
Aggregate Loans to Companies (Gross Loans)	8,85,05,69,589	1,40,14,86,801	5,61,91,64,551	2,25,06,65,093
Less: Provision for Doubtful Loans	11,12,97,019	-	16,13,71,020	-
Total	8,73,92,72,570	1,40,14,86,801	5,45,77,93,531	2,25,06,65,093
Loan to Staff				
- Directors (refer note no. 26)	-	-	-	12,29,131
- Employees	4,98,82,694	32,94,396	3,52,05,878	15,27,833
Unsecured (Considered Good)				
Security Deposits	4,08,284	-	8,72,664	-
Loans to Employees	-	4,55,000	-	4,33,000
Advance to Employees	-	1,01,825	-	1,81,438
Other receivables & Advances	47,00,000	72,819	47,00,000	6,84,367
Advance Income Tax and TDS (Net of Provisions)	18,36,05,182	-	18,48,71,420	-
TOTAL	8,97,78,68,730	1,40,54,10,841	5,68,34,43,493	2,25,47,20,862

* The loans and debentures are secured by way of

- i) Hypothecation of assets and/or
- ii) Mortgage of property and/or
- iii) Trust and retention account and/or
- iv) Bank guarantees, company guarantee, sponsor guarantee or personal guarantee and/or
- v) Assignment of receivables or rights and/or
- vi) Pledge of shares

14 CASH AND BANK BALANCES

a) Cash and cash equivalents

- Balances with Banks		
Current Accounts	7,35,93,210	33,77,699
- Deposit accounts	10,00,00,000	-
- Cheques in Hand	9,85,185	-
- Cash In Hand	26,640	28,626

b) Other Bank Balances

- Unpaid Dividend Accounts	85,34,175	74,58,371
TOTAL	18,31,39,210	1,08,64,696



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2012	As At 31 March, 2011
15	OTHER CURRENT ASSETS		
	Interest accrued on Investments	9,70,547	75,94,432
	Interest accrued on loans & deposits	6,66,32,919	5,36,77,392
	TOTAL	6,76,03,466	6,12,71,824
16	BOOK DEBTS		
	Interest accrued and due on loans & deposits	3,03,70,859	1,40,61,083
	TOTAL	3,03,70,859	1,40,61,083
Note			
Note No.	Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
17	REVENUE FROM OPERATIONS		
	Interest on Loans & Deposits	1,16,17,34,353	1,01,59,45,243
	Other Fees and Charges	5,04,71,014	5,64,07,886
	Dividend Received	69,85,231	75,38,220
	Profit on Sale of Investments	6,82,76,286	43,64,562
	Other Financial Services		
	Consultancy Income	52,42,500	56,83,359
	TOTAL	1,29,27,09,384	1,08,99,39,270
18	OTHER INCOME		
	Interest on Loans to Staff	21,33,758	15,03,523
	Rental Income	42,70,802	-
	Miscellaneous Income	41,19,903	38,52,080
	TOTAL	1,05,24,463	53,55,603
19	EMPLOYEE BENEFIT EXPENSES		
	Salaries & Allowances	5,55,31,142	5,89,05,700
	Contribution to Provident Fund and other Funds	32,50,449	22,32,512
	Contribution to Gratuity	35,94,379	50,98,417
	Staff Welfare Expenses & Others	16,13,160	18,14,324
	TOTAL	6,39,89,130	6,80,50,953
20	FINANCE COSTS		
	Interest on Borrowings	59,25,77,214	41,63,85,365
	TOTAL	59,25,77,214	41,63,85,365



TOURISM FINANCE CORPORATION OF INDIA LIMITED

NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
21	OTHER EXPENSES		
	Rent Rates & Taxes	1,07,72,024	5,70,910
	Electricity & water	1,16,410	6,03,083
	Office Upkeep & Maintenance	81,85,808	1,15,42,568
	Travelling and Conveyance	58,04,289	51,29,674
	Printing and Stationery	9,01,305	5,65,454
	Postage, Telephone and Telex	23,07,996	18,65,877
	Sitting Fee (Directors)	7,86,000	1,32,000
	Membership and Subscription	1,07,048	1,99,414
	Auditors Remuneration		
	- Audit Fee	2,20,600	2,20,600
	- Reimbursement of Expenses	55,152	55,152
		2,75,752	2,75,752
	Insurance Expenses	1,92,422	63,249
	Listing Fee	6,43,723	4,43,718
	Legal and Professional Charges	1,41,69,430	92,64,858
	Rating Fees	60,84,977	25,57,945
	Advertisement & Publicity	28,44,683	11,98,829
	Registrar & Transfer Agent Fee	4,38,943	3,73,281
	AGM Expenses	19,35,392	17,85,968
	Bank Charges	11,18,812	2,42,199
	Books & Periodicals	2,36,559	2,43,195
	Miscellaneous Expenses	12,01,499	22,78,337
	Loss on Sale of Assets	3,35,796	27,969
	TOTAL	5,84,58,868	3,93,64,280
22	CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:		
	Income Tax	7,61,35,497	5,03,08,913
23	EXPENDITURE IN FOREIGN CURRENCY		
	Subscription to Publications	-	37,185
	Conference / Training (including travelling cost)	1,91,962	1,56,091
	Total	1,91,962	1,93,276
24	REMUNERATION TO CHAIRMAN AND MANAGING DIRECTORS		
	Salary	45,51,788	26,39,323
	Contribution to Provident fund	3,27,280	1,90,800
	Perquisites	23,83,731	19,40,625
	Total	72,62,799	47,70,748
25	The Company is engaged mainly in the business of financing. Since all activities are related to the main activity, there are no reportable segments as per Accounting Standard on Segment Reporting (AS-17)		



26 RELATED PARTY DISCLOSURE

As per Accounting Standard - 18, the Company's related parties and transactions are disclosed below :

A. Related Parties

Related Parties	Relation	Transactions
1. IFCI Ltd (Investing Company)	Associate	- Dividend Paid - ₹3,95,71,203/- (P.Y. ₹3,28,04,378/-) - Dividend Received - ₹20,000/- (P.Y. ₹20,000/-) - Rent & Other Charges Paid - ₹1,02,07,007/- (P.Y. ₹89,000/-) - Investment in Equity Shares of IFCI Ltd Outstanding ₹45,81,82,882/- (P.Y. NIL) - Investment in Preference Shares of IFCI Ltd Outstanding ₹2,00,00,000/- (P.Y. ₹ 2,00,00,000/-)
2. North-East Tourism Dev. Corp. Pvt Ltd (NETDCL)	Associate	Nil - Investment in Preference Shares of NETDCL Outstanding ₹26,000/- (P.Y. ₹26,000/-)

B. Key Managerial Personnel

Key Managerial Personnel	Relation	Transactions
1. Shri Shivendra Tomar	Managing Director	- Remuneration Paid ₹37,11,684/- (P.Y. NIL)
2. Smt Archana Capoor	Managing Director	- Remuneration Paid ₹35,51,115/- (P.Y. ₹47,70,748/-) - Staff Loan Outstanding - NIL (P.Y. ₹12,29,131/-)

27 EARNING PER EQUITY SHARE

Particulars	Period Ended 31.03.2012	Period Ended 31.03.2011 (In ₹)
Net Profit Attributable to Equity Shareholders	49,46,96,363	44,41,04,501
Weighted Average No. of Equity Shares (Nos)	8,07,16,748	8,07,16,748
Basic Earning Per share of Face Value ₹10 each	6.13	5.50
Diluted Earning Per share of Face Value ₹10 each	6.13	5.50

28 CAPITAL COMMITMENTS: NIL (PREVIOUS YEAR NIL)

29 Interest on Loans & Deposits includes profit on sale of units of Debt based Mutual Funds	5,31,03,529	3,91,61,044
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30 Previous year figures have been regrouped / rearranged wherever considered necessary to make them comparable with the current year's figures

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, 2012. 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.



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
31	Gratuity - As per actuarial valuations as on March 31, 2012 and recognized in the financial statements		
I	Recognised in the Profit & Loss A/c		(In ₹)
1	Current Service Cost	8,83,849	1,42,096
2	Interest Cost	7,19,090	2,92,910
3	Expected Return on Plan Asset	(97,610)	(88,822)
4	Past Service Cost	-	-
5	Actuarial (gain)/loss recognized	20,49,554	48,92,243
6	Expense recognized in Statement of Profit & Loss / Reserves	35,54,883	52,38,427
II	Net Asset/(Liability) recognized in Balance Sheet		
1	Present Value of Obligation at the year end	1,22,37,266	89,88,619
2	Fair Value on Plan Assets	11,91,731	10,84,555
3	Fund Status (Surplus/Deficit)	(1,10,45,535)	(79,04,064)
4	Unrecognised Past Service Cost	-	-
5	Net Asset/(Liability) recognized in Balance Sheet	(1,10,45,535)	(79,04,064)
III	Change in Present value of Obligations during the year		
1	Present Value of Obligation at the beginning of the year	89,88,619	36,61,370
2	Current Service Cost	8,83,849	1,42,096
3	Interest Cost	7,19,090	2,92,910
4	Actuarial (gain)/loss on Obligations	20,49,554	48,92,243
5	Benefits Paid	(4,03,846)	-
6	Present Value of Obligation at the end of the year	1,22,37,266	89,88,619
IV	Change in Fair Value of Assets during the year		
1	Fair Value of Plan Asset at the beginning of the year	10,84,555	8,55,723
2	Expected Return on Plan Asset	97,610	88,822
3	Actuarial gain/loss on Plan Asset	-	-
4	Contributions	4,13,412	1,40,010
5	Benefits Paid	(4,03,846)	-
6	Fair Value of Plan Asset at the end of the year	11,91,731	10,84,555
V	Actuarial Assumptions		
1	Mortality Table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
2	Discount Rate	8%	8%
3	Salary Escalation	6%	6%

32 The additional information required to be disclosed vide RBI norms - as certified by the management

32.1 Loans and advances availed (including interest accrued thereon but not paid)

Particulars	Outstanding	Overdue	Outstanding	Overdue
Debentures (Bonds)				
- Secured	Nil	Nil	Nil	Nil
- Unsecured	5,39,92,00,000	Nil	3,24,31,00,000	Nil
Deferred Credits	Nil	Nil	Nil	Nil
Term Loans	2,50,00,00,000	Nil	1,75,00,00,000	Nil
Inter Corporate Deposits	Nil	Nil	Nil	Nil
Commercial Papers	Nil	Nil	Nil	Nil



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note

No. Particulars Year ended 31 March, 2012 Year ended 31 March, 2011

32.2 Break-up of Loans and Advances including bills receivables (Net of Specific Provision / Write Off), including interest accrued thereon

Particulars	Amount Outstanding	Amount Outstanding
a) Secured	10,23,77,63,149	7,77,61,97,099
b) Unsecured	Nil	Nil

32.3 Break up of Leased Assets and stock on hire and other assets counting towards AFC activities : NIL

32.4 Break-up of Investments (Net of Specific Provision / Write Off)

A. Current Investments

Quoted

i) Shares

- Equity	48,39,11,142	6,31,10,752
- Preference	Nil	Nil

ii) Units of Mutual Funds 28,59,03,855 23,85,00,000

Unquoted Nil Nil

B. Long Term Investments

Quoted Nil Nil

Unquoted

i) Shares

- Equity	19,36,51,080	19,86,51,080
- Preference	9,26,00,000	9,83,30,000

Total Investments (Current + Long Term) 1,05,60,66,077 59,85,91,832

32.5 Borrower group-wise classification of assets financed as in (32.2) and (32.3) above

Particulars	Amount (Net of Specific provision)			Amount (Net of Specific provision)		
	Secured	unsecured	Total	Secured	unsecured	Total
i) Related Parties						
- Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
- Companies in Same Group	Nil	Nil	Nil	Nil	Nil	Nil
- Other Related Parties	Nil	Nil	Nil	30,18,000	Nil	30,18,000
ii) Other than Related Parties	10,23,77,63,149	Nil	10,23,77,63,149	7,77,31,79,099	Nil	7,77,31,79,099

32.6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Particulars	Market value/ Break up value or Fair Value or NAV	Book Value (Net of Specific provision)	Market value/ Break up value or Fair Value or NAV	Book Value (Net of Specific provision)
i) Related Parties				
- Subsidiaries	Nil	Nil	Nil	Nil
- Companies in Same Group	69,49,82,473	49,86,08,882	4,46,99,496	4,04,26,000
- Other Related Parties	Nil	Nil	14,00,00,000	14,00,00,000
ii) Other than Related Parties	55,79,18,923	55,74,57,195	67,33,87,060	41,81,65,832
TOTAL	1,25,29,01,396	1,05,60,66,077	85,80,86,556	59,85,91,832



32.7 OTHER INFORMATION

i) Gross Non-Performing Assets		
- Related parties	Nil	Nil
- Other than related parties	4,90,02,589	3,25,82,265
ii) Net Non-Performing Assets		
- Related parties	Nil	Nil
- Other than related parties	Nil	Nil
iii) Assets acquired in satisfaction of debt	Nil	Nil

32.8 CRAR

i) CRAR (%)	40.47%	50.74%
ii) CRAR - Tier I Capital (%)	31.33%	38.67%
iii) CRAR - Tier II Capital (%)	9.14%	12.07%

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

(₹in Crore)

	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	-	-	-	-	-	180.00	70.00	-	250.00
- Market Borrowings	-	-	-	-	31.34	102.08	-	406.50	539.92
Assets									
- Advances	21.80	3.75	6.37	26.78	81.44	360.89	289.52	240.61	1,031.16
- Investments	28.59	-	-	20.00	40.00	6.00	-	11.01	105.60

32.10 EXPOSURE TO REAL ESTATE SECTOR : NIL

For S.S. Kothari & Associates
(Chartered Accountants)
Firm Regn. No.305147E

(Rajiv Singh)
Sr. Company Secretary

(B.M. Gupta)
Chief Financial Officer

(Shivendra Tomar)
Managing Director

(Naveen Aggarwal)
Partner
M.No.94380

(R.R. Rai)
Director

(S.K. Mandal)
Director

(S. K. Ganguli)
Director

Dated : April 19, 2012
Place : New Delhi



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012

(In ₹)

	For the year ended	
	31.03.2012	31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	63,08,21,408	68,79,97,383
Adjustment for :		
Provision write off for Doubtful Debts/Investments	(6,00,00,000)	(13,50,00,000)
Depreciation & Amortisation	1,73,87,227	1,84,96,892
(Profit)/Loss On Sale of Assets	3,35,796	27,969
Operating Cash before working capital changes	58,85,44,431	57,15,22,244
Adjustment for :		
(Increase)/Decrease in Long Term Loans & Advances	(3,24,56,17,475)	(73,36,46,997)
(Increase)/Decrease in Short Term Loans & Advances	84,93,10,021	(70,55,13,487)
(Increase)/Decrease in Non Current Investment	2,06,55,999	(6,11,78,751)
(Increase)/Decrease in Current Investment	(46,82,04,245)	(2,22,82,165)
Increase/(Decrease) in Long Term Borrowings	3,00,14,00,000	84,13,00,000
Increase/(Decrease) in Short Term Borrowings	(22,35,27,015)	22,22,75,988
Increase/(Decrease) in Other Long Term Liabilities	45,65,340	-
Increase/(Decrease) in Other Current Liabilities	(9,94,51,113)	19,82,53,477
Increase/(Decrease) in Long Term Provisions	31,41,471	49,44,460
Increase/(Decrease) in Short Term Provisions	94,02,240	12,96,296
(Increase)/Decrease in Other Current Assets	(63,31,642)	(39,63,915)
(Increase)/Decrease in Book Debts	(1,63,09,776)	18,14,971
Cash Generated from Operation	41,75,78,236	31,48,22,121
Direct Tax Paid	(12,22,33,762)	(20,72,65,623)
Net Cash Flow from Operating Activities	29,53,44,474	10,75,56,498
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(10,43,916)	(71,74,175)
Sale of Fixed Assets	1,85,172	3,000
Net Cash used in Investing Activities	(8,58,744)	(71,71,175)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Share Capital and Reserves	(96,37,988)	-
Payment of Dividend and Dividend Distribution Tax	(11,25,73,228)	(11,33,21,472)
Net Cash used in Financing Activities	(12,22,11,216)	(11,33,21,472)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	17,22,74,514	(1,29,36,149)
Cash and Cash Equivalent at the Beginning of the Year	1,08,64,696	2,38,00,845
Cash and Cash Equivalent at the End of the Year	18,31,39,210	1,08,64,696
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash in hand	26,640	28,626
Cheque/Draft in Hand	9,85,185	-
Balance with Banks		
- Current Accounts	7,35,93,210	33,77,699
- Deposit Accounts	10,00,00,000	-
- Unpaid Dividend Accounts	85,34,175	74,58,371
Total Cash and Cash Equivalents (Note 14)	18,31,39,210	1,08,64,696

As per our report of even date
For S.S. Kothari & Associates
(Chartered Accountants)
Firm Regn. No.305147E
(Naveen Aggarwal)
Partner
M.No.94380

Dated : April 19, 2012
Place : New Delhi

(Rajiv Singh)
Sr. Company Secretary
(R.R. Rai)
Director

(B.M. Gupta)
Chief Financial Officer
(S.K. Mandal)
Director

For and on behalf of the Board of Directors

(Shivendra Tomar)
Managing Director
(S. K. Ganguli)
Director



Tourism Finance Corporation of India Ltd.

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

Attendance Slip

Name
Address
Folio No.

DP Id*	
Client Id*	

PLEASE FILL IN YOUR NAME ADDRESS & FOLIO NO. BEFORE HANDING OVER ENTRANCE OF THE HALL

I hereby record my presence at the Twenty Third Annual General Meeting of the Company, to be held on Wednesday, the 18th day of July, 2012 at 2.00 p.m at Air Force Auditorium, Subroto Park, New Delhi - 110 010.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

- Notes
1. A Member/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the Meeting and hand over at the entrance duly signed. Duplicate attendance slip will not be issued at AGM venue. The same shall be issued at the Registered Office of the Company upto a day preceeding the day of the Annual General Meeting.
 2. Member/Proxyholder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

* Applicable for investors holding shares in electronic form.



Tourism Finance Corporation of India Ltd.

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

DP Id*	
Client Id*	

Proxy

I/we.....
of..... in the district of.....
being a Member/Members of
the above-named Company, hereby appoint
of in the district of..... (or failing him)
.....of
..... as my/our Proxy to attend and vote for me/us on my/our behalf
at the Twenty Third Annual General Meeting of the Company, to be held Wednesday the 18th day of July, 2012 at 2.00 p.m. at Air Force Auditorium, Subroto Park, New Delhi- 110 010 and at any adjournment thereof.

Signed this day of 2012
Reference Folio No.
No. of Shares Signature

Affix Revenue Stamp

This form is to be used in favour of** the resolution. Unless otherwise instructed the Proxy will act as he thinks fit.
against**

**Strike out whichever is not desired.

* Applicable for investors holding shares in electronic form

Note : The Proxy form should reach the Registered Office of the Company at IFCI Tower, 61 Nehru Place, New Delhi - 110019 at least 48 hours before the time fixed for the meeting.