



Tourism Finance Corporation of India Ltd.

4th Floor, Tower-1, Tel. : +91-11-4747 2200
NBCC Plaza, Pushp Vihar Fax : +91 11 2956 1171
Sector-5, Saket, E-mail : ho@tfcilttd.com
New Delhi-110017 Web : www.tfcilttd.com

CIN : L65910DL1989PLC034812

September 6, 2017

National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E),
Mumbai- 400 051

Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001

Re: Clarification to 28th Annual Report

Dear sir,


The Company had issued Notice dated July 31, 2017 convening 28th Annual General Meeting (AGM) of Company on September 25, 2017 in due compliance with the provisions of the Companies Act, 2013 read with the Rules made thereunder alongwith information memorandum as contained in page 1 & 2 of the Annual Report.

It is to clarify that M/s V.C.Gautam & Co., Chartered Accountants were appointed by the Comptroller & Auditor General of India (C&AG) as Statutory Auditors of Your Company for the FY 2016-17 who holds the office of the Auditors upto the conclusion of 28th AGM by virtue of Section 139 (5) of the Companies Act, 2013. Pursuant to decrease in shareholding of Government owned institutions and banks in TFCI to below 50%, the Comptroller & Auditor General of India (CAG), vide its letter dated 06.03.2017, decided not to appoint its Statutory Auditors from financial year 2017-18 onward. Accordingly, in terms of the provision of Section 139(1) of the Companies Act 2013, the Board of Directors on the recommendation of the Audit Committee of the Board subject to its confirmation by the members/shareholders in the Annual General Meeting approved appointment of M/s Suresh Chandra & Associates (SCA), Chartered Accountants as Statutory Auditors of TFCI for a period of five years effective from the financial year 2017-18. As such, the name of M/s Suresh Chandra & Associates (SCA), Chartered Accountants (Proposed Auditors for FY 2017-18) has been mentioned in the information memorandum. It may be noted that M/s V.C.Gautam & Co., Chartered Accountants were Statutory Auditors for FY 2016-17 who holds the office of the Auditors upto the conclusion of 28th AGM.

All other particulars and details remain unchanged. The Company shall give notice of the clarification through newspaper publication and website updating for information of the shareholders.

For Tourism Finance Corporation of India Ltd.

Place: New Delhi


Sanjay Ahuja
Company Secretary

28th Annual Report 2016-2017



Tourism Finance Corporation of India Limited



BOARD OF DIRECTORS*



Shri Sanjeev Kaushik (IAS)
Non-Executive Chairman



Shri A.K. Dogra
Nominee Director, Ministry
of Finance, Govt. of India



Shri Suman Billa (IAS)
Nominee Director, Ministry
of Tourism, Govt. of India



Shri S. Ravi
Independent Director



Shri Rudra Gangadharan (IAS Retd.)
Independent Director



Shri S. Sridhar
Independent Director



Justice (Retd.) Ms. Rekha Sharma
Independent Director



Shri Niraj Agrawal
Director



Shri K.B. Nagendra Murthy
Independent Director



Shri S.C. Sekhar
Independent Director



Shri B.N. Nayak
Director



Shri Satpal Kumar Arora
Managing Director



BOARD OF DIRECTORS*

Shri Sanjeev Kaushik I.A.S.	Non-Executive Chairman
Shri Satpal Kumar Arora	Managing Director
Shri A.K. Dogra	Nominee Director, Ministry of Finance, Govt. of India
Shri Suman Billa	Nominee Director, Ministry of Tourism, Govt. of India
Shri Niraj Agarwal	Representing LIC of India
Shri B.N. Nayak	Representing IFCI Ltd.

INDEPENDENT DIRECTORS

Shri S. Ravi
Shri S. Sridhar
Shri S.C. Sekhar
Shri K.B. Nagendra Murthy
Justice (Retd.) Ms. Rekha Sharma
Shri Rudhra Gangadharan I.A.S. (Retd.)

EXECUTIVE DIRECTOR

Shri B.M.Gupta

CHIEF FINANCIAL OFFICER

Shri Anoop Bali

COMPANY SECRETARY

Shri Sanjay Ahuja

STATUTORY AUDITORS (2017-18)

M/s Suresh Chandra & Associates
Chartered Accountants, New Delhi

REGISTRAR AND TRANSFER AGENT

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

REGISTERED OFFICE

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

*as on August 17, 2017

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, 2017	As at March 31, 2016	
Resources			
Share Capital	8072	8072	
Reserves and Surplus	47352	43334	
Secured Loans	17674	15974	
Unsecured Loans	78150	78150	
Total	151248	145530	
Operations			
	Cumulative	2016-2017	2015-2016
Assistance sanctioned			
Rupee Loan	875384	97480	64070
Leasing	2491	—	—
Subscription to Equity/Preference Share/ Mutual Fund/Debenture	82070	—	6735
Guarantee	1483	—	—
Total	961428	97480	70805
Assistance disbursed			
Rupee Loan	497430	48737	38056
Leasing	1580	—	—
Subscription to Equity/Preference Share/ Mutual Fund/Debenture	75611	—	6735
Guarantee	1443	—	—
Total	576064	48737	44791
Earnings			
Profit before tax	9701	7568	
Profit after tax	7042	5361	
Earning per share (₹)	8.73	6.64	



NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the members of Tourism Finance Corporation of India Ltd. will be held on Monday, the 25th day of September, 2017 at 3.00 p.m., at IFCI Tower, 61 Nehru Place, New Delhi 110019 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company including the Balance Sheet as at March 31, 2017 and the statement of Profit and Loss Account for the year ended March 31, 2017 and the report of the Board of Directors' and Auditors' thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri Niraj Agarwal (DIN: 06483526) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company in terms of the provisions of section 139 and other applicable provisions of the Companies Act, 2013 and to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder as amended from time to time M/s Suresh Chandra & Associates Chartered Accountants (Firm's registration Number: 001359N) be and are hereby appointed as the Statutory Auditors of the Company, to hold office for period of five years effective from the financial year 2017-18 till the conclusion of the 33rd Annual General Meeting for a fee of Rs. 5 lakh per annum plus applicable tax (subject to ratification of the appointment by the members at every intervening Annual General Meeting held after this Annual General Meeting) and that the Audit Committee/Board of Directors of the Company be and are hereby authorised to modify/fix such remuneration as may be determined in consultation with the auditors.”

SPECIAL BUSINESS:

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

“RESOLVED THAT Shri Sanjeev Kaushik, IAS (DIN:02842527) who was appointed as an Additional Director by the Board of Directors of the Company with effect from February 8, 2017 and who as per the provisions of Section 161(1) of the Companies Act 2013 holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the

Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the company liable to retire by rotation under the provisions of the Articles of Association of the Company.”

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

“RESOLVED THAT Shri B.N.Nayak (DIN:0144147) who was appointed as an Additional Director by the Board of Directors of the Company with effect from February 8, 2017 and who, as per the provisions of Section 161(1) of the Companies Act, 2013 holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the company liable to retire by rotation under the provisions of the Articles of Association of the Company.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV to the Act and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Listing Regulation, Shri S. Ravi (DIN: 00009790), in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for second term upto 5 (Five) consecutive years commencing from April 1, 2017.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV to the Act and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Listing Regulations Shri S.Sridhar (DIN: 00004272), in respect of whom the Company has received a notice in writing under



Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for second term upto 5 (Five) consecutive years commencing from May 27, 2017.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV to the Act and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Listing Regulation Shri Rudhra Gangadharan I.A.S. (Retd.) DIN (07863333), who was appointed as an Additional Director of the Company by the Board of Directors of the Company on June 30, 2017 and who as per the provisions of Section 161(1) of the Companies Act, 2013 holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for a term upto 5 (Five) consecutive years commencing from June 30, 2017.”

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

“RESOLVED THAT subject to the provisions Sections 196, 197 and 203 read with Schedule V to the Act and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 161 of the Articles of Association of the Company and such other approvals as may be required and such modification and conditions, if any, which the Board of Directors is hereby authorised to accept, consent of the members, be and is hereby accorded for revision/improvement in the remuneration/perquisites of Shri Satpal Kumar Arora (DIN:00061420) Managing Director of the Company, as mentioned below:

Subject	Revised Pay/Facilities of Managing Director effective from date of his appointment i.e. 31.3.2016 (As approved by the Board)
Basic Pay	Rs.2,05,400 p.m. (consolidated)

DA	Applicable Central Govt. D.A. rates from time to time presently 4% of basic pay.
CAIIB Allowance	Rs. 7,000 p.m.
HRA	Rent free furnished accommodation to be provided by the Company. The cost of furniture/ furnishings shall not exceed Rs.3.00 lakh. Or Compensation comprising House Rent Allowance @24% of actual pay drawn p.m. w.e.f. 1.7.2017 (Rs.49,296 p.m.) The HRA paid upto June, 2017 shall remain unchanged. For this purpose stay at Faridabad, Ghaziabad, Noida and Gurgaon will be treated as Delhi Charges incurred for water and fuel consumed is to be borne by self. The expenditure incurred on providing Security Guards, Servants, Gardner shall be borne by the Company subject to maximum of Rs.10,000. The cost of furnishings/furniture shall not exceed Rs.3.00 lakh.
Conveyance	Entitled to free use of the Company’s car.
Travelling Boarding and Lodging	Actual expenditure to be reimbursed for outstation journeys undertaken for official work, as per rules of TFCI
Medical Benefits	Actual expenses incurred for self and dependent family members, in India. For expenditure to be/incurred relating to treatment abroad, specific approval of the Board will be required
Personal Accident Insurance	Part of Group Insurance of the Company, covering accidents also.
Leave Travel Concession	Entitled for reimbursement on actual/declaration basis for self and family, by any mode, once in a block of two years for visiting any place in India as per entitled class as applicable for official tour as per staff policy of TFCI.
Entertainment Allowance	Rs.40,000 p.a. on declaration basis w.e.f 1 st March, 2017



Gratuity	At the rate of half-months' pay for every completed year of service or more than six months of service as MD
Leave	As per Staff Regulations of the Company.
Encashment of Leave on completion of tenure	Entitled to encash Earned Leave at the time of completion of tenure/exit, which may be lying to his credit. The amount of leave salary shall be calculated on the basis of last pay drawn.
Performance Linked Incentive	As decided by the Board of Directors/Remuneration & Compensation Committee of Directors, from time to time
Retirement Fare Concession/ Shifting of Household Goods	Single fare journey by entitled Class for self and family and cost of shifting of household goods to hometown at the time of completion of tenure /exit from TFCL.
Reimbursement of Travelling/ Transportation Expenses	Entitled to reimbursement of traveling expenses for himself and family members from the place of residence to the place of posting at the time of taking up the board level assignment and similarly from the place of posting to the place where he and his family is to settle down permanently (even if it is other than the declared home town).
Provident Fund	As per company's rules
Foreign Visits	To be undertaken with the prior approval of the Board
Reimbursement of Telephone/ Mobile Bills	Rs.8,087 p.m. on declaration basis w.e.f 1 st March, 2017
Newspaper/ Book Grant	2,083 p.m. on declaration basis w.e.f 1 st March, 2017
Electricity	Rs.2,560 p.m. (400 units @ 6.40 per unit) on declaration basis w.e.f 1 st March, 2017 In addition Rs.32,000 once in 5 years for purchase of Air Conditioner.
Pension Benefits	15% of pay (basic and allowances on which DA is admissible) w.e.f 1 st March, 2017

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

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

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

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

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

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

By order of the Board of Directors

Date : July 31, 2017
Place : New Delhi

(Sanjay Ahuja)
Company Secretary



Notes:

1. *A member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy in order to be valid and effective must be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting. A BLANK PROXY FORM IS ENCLOSED.*
A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, setting out material facts in respect of the Special Business to be transacted at the meeting under item no(s). 5 to 11 are annexed hereto.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. In terms of Article 135 of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Shri Niraj Agarwal Director, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends his re-appointment.
5. Brief profile of the Directors proposed to be appointed/re-appointed, is set out in "Information about Directors seeking appointment/re-appointment as mandated in the Listing Regulation" annexed to the notice.
6. Members seeking any information with regard to accounts or operations are requested to write to the Company at an early date preferably at least 7 days prior to the date of meeting, to enable the Company to keep the information ready.
7. Members are requested to
 - (a) bring their attendance slip duly filled in along with their copy of annual report to the meeting. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
 - (b) note that all correspondence relating to share transfer should be addressed to Registrar & Share Transfer Agents of the Company as per details provided on Page 1.
 - (c) quote DP ID No./Client ID No. or folio number in all correspondence.
8. Relevant documents referred to in the accompanying Notice as well as the other documents are open for inspection at the registered office of the Company on all working days except Saturday, Sunday and holidays between 11.00 a.m. to 1.00 p.m. upto September 22, 2017.
9. (a) The Register of Members and Share Transfer Books for equity shares of the Company will remain closed from **September 18, 2017 to September, 25, 2017** (both days inclusive).
(b) The dividend on Equity Shares if declared at the Meeting, will be paid to those members holding shares
 - (i) in physical form if their names appear in the Register of Members as on **September 25, 2017** and
 - (ii) in dematerialized/electronic form, the dividend will be paid on the basis of beneficial ownership as per details to be furnished by the Depositories i.e National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the end of business on **September 15, 2017**
10. Members may please note that for shares in electronic form, bank particulars registered against their depository accounts will be used by the Company for payment of dividend. Accordingly, they are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in address immediately to the Registrar & Share Transfer Agent (R&TA) M/s MCS Share Transfer Agents Ltd. as per details provided on Page 1.
11. Members holding shares in more than one folio in identical order of the names are requested to write to R&TA enclosing their share certificates to enable them to consolidate the holdings in one folio to facilitate better service.
12. Pursuant to the provisions of Section 125 of the Companies Act, 2013 the amount of dividend remaining unclaimed and unpaid for a period of 7 years from the date of payment is required to be transferred to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Members who have not yet encashed their dividend warrants for the previous years, are requested to make their claims to the Company immediately. Members who have not yet encashed their dividend warrants or are not in receipt of the dividend warrants are requested to seek issuance of demand draft from the Company. It may be noted that once the unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof.



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

Year	Due Date
2009-10	17.10.2017
2010-11	13.10.2018
2011-12	17.08.2019
2012-13	12.10.2020
2013-14	22.10.2021
2014-15 (interim)	27.04.2022
2014-15 (Final)	21.10.2022
2015-16 (Interim)	29.01.2023
2015-16(Final)	28.10.2023

13. As per the provisions of the Companies Act, 2013, facility for making nominations is available for shareholders, in respect of shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agents of the Company.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Transfer Agents M/s MCS Share Transfer Agents Ltd.
15. Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance” by allowing paperless compliance by the Companies. In order to support the said initiative your Company shall send the copy of the Annual Report along with the notice convening the AGM through e-mail to those members whose e-mail IDs have been provided by them through their DPs/RTAs. The Annual Report is also uploaded on the website of the Company at www.tfcilt.com.
16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address with their DPs/RTAs for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
17. In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules 2014 (the Rules) and the Listing Regulation, the Items of Business given in 28th AGM Notice may be transacted through electronic voting system and the Company is providing e-voting facility to the members who are the members as on **September 18, 2017** (End of Day) being the “Record Date” fixed for the purpose to exercise their right to vote at the 28th AGM by electronic means. For the purpose the Company has entered into an agreement with Central Depository Services (India) Ltd. (CDSL) for facilitating remote e-voting as the authorised agency to provide remote e-voting facilities.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 22, 2017 at 9.00 a.m. and ends on September 24, 2017 at 5.00 p.m. (IST). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date (record date) of September 18, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on Annual Report’s Envelop. • In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.



Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
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- (viii) After entering these details appropriately click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN Tourism Finance Corporation of India Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK” else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based

mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone user can download the App from the App Store and the Window Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **Note for Non-Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

The Scrutinizer will scrutinize the remote e-voting process in a fair and transparent manner.

The Scrutinizer after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer’s report shall be placed on the website of the Company www.tfciltd.com and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.

Important Note:

As Tourism Finance Corporation of India Ltd.(TFCI) is a listed company and having more than 1000 shareholders compulsorily required to provide e-voting facility to members in terms of Section 108 of the Act read with Rule 20 of the Rules and the Listing Regulation, voting by show of hands will not be available to the members at the 28th AGM in view of the further provisions of Section 107 read with Section 114 of the Act.



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

ITEM NO. 5

The Board had appointed Shri Sanjeev Kaushik, I.A.S (DIN:02842527) as an Additional Director of the Company w.e.f. February 8, 2017. He has been appointed as Non-Executive Chairman of the Board of the Company. By virtue of Section 161 of the Companies Act, 2013 he holds office upto the date of ensuing Annual General Meeting of the Company and is eligible for re-appointment. The Company has received notice in writing along with deposit from a member of the company in terms of Section 160 of the Companies Act, 2013 proposing the candidature of Shri Sanjeev Kaushik, I.A.S for the office of Director at the ensuing Annual General Meeting.

Brief profile of Shri Sanjeev Kaushik, I.A.S is set out in the “Information about Directors seeking appointment/reappointment as mandated under the Listing Regulation” which is annexed with the notice. His background and vast experience would be of great value to the Company.

The Board recommends the resolution set out in item no. 5 of the Notice for approval of the members of the Company. Shri Sanjeev Kaushik, I.A.S is interested in the resolution as it relates to his appointment. None of other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution, except to the extent of their shareholding in the Company.

ITEM NO. 6

The Board had appointed Shri B.N.Nayak (DIN:0144147) as an Additional Director of the Company w.e.f. February 8 2017. By virtue of Section 161 of the Companies Act, 2013 he holds office upto the date of ensuing Annual General Meeting of the Company and is eligible for re-appointment. The Company has received notice in writing along with deposit from a member of the company in terms of Section 160 of the Companies Act, 2013, proposing the candidature of Shri B.N.Nayak for the office of Director at the ensuing Annual General Meeting.

Brief profile of Shri B.N.Nayak is set out in the “Information about Directors seeking appointment/reappointment as mandated under the Listing Regulation” which is annexed with the notice. His background and vast experience would be of great value to the Company.

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

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

ITEM NO. 7 & 8

As per the term of appointment the tenure of Shri S.Ravi

and Shri S.Sridhar was upto 31.3.2017 and 26.5.2017 respectively. The Board of Directors at their meeting held on August 10, 2016 had assessed and evaluated the performance of Independent Directors based on process of evaluation and places on record the contribution made by all Independent Directors. Accordingly, the Board of Director, based on the recommendation of the Nomination and Remuneration Committee at their meeting held on February 8, 2017, approved re-appointment of Shri S.Ravi and Shri S.Sridhar as Independent Director for another term of 5 (Five) years w.e.f. 1.4.2017 and 27.5.2017 respectively subject to approval of shareholders by way of Special Resolution in the forthcoming Annual General Meeting.

The Company has received a declaration from Shri S.Ravi and Shri S.Sridhar that they meets with the criteria of independence as provided in section 149(6) of the Companies Act, 2013. The Company has received notice(s) in writing alongwith deposit from member(s) of the Company in terms of section 160 of the Companies Act, 2013 proposing the candidature(s) of Shri S.Ravi and Shri S.Sridhar. In the opinion of the Board, Shri S.Ravi and Shri S.Sridhar fulfils the conditions for their appointment as Independent Director(s) as specified in the Act and the Listing Regulation. Shri S.Ravi and Shri S.Sridhar are independent of the management.

Brief profile of Shri S.Ravi and Shri S.Sridhar is set out in the “Information about Directors seeking appointment/reappointment as mandated under the Listing Regulation” which is annexed with the notice.

The Board recommends the resolution set out in item no. 7 & 8 of the Notice for approval of the members of the Company. Shri S. Ravi and Shri S. Sridhar are interested in the resolution(s) as it relates to their appointment. None of other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution(s) except to the extent of their shareholding in the Company.

ITEM NO. 9

Shri Rudhra Gangadharan I.A.S. (Retd.) DIN (07863333) was appointed as an Additional Director w.e.f. June 30, 2017. By virtue of Section 161 of the Companies Act, 2013 he holds office upto the date of ensuing Annual General Meeting of the Company and is eligible for reappointment. The Company has received notice in writing along with deposit from a member of the company in terms of Section 160 of the Companies Act, 2013, proposing the candidature of Shri Rudhra Gangadharan I.A.S. (Retd.) for the office of Director at the ensuing Annual General Meeting.

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



In order to comply with the provisions Sections 149(4), (10) & (11) and 152(6) (e) of the Companies Act, 2013 read with the listing Regulation it is proposed to formally appoint Shri Rudhra Gangadharan I.A.S. (Retd.) as Independent Director for an initial term of 5 (Five) consecutive year w.e.f. June 30, 2017, the date of his appointment in the company.

The Company has received a declaration from Shri Rudhra Gangadharan I.A.S. (Retd.) that he meets with the criteria of independence as provided in section 149(6) of the Companies Act, 2013. In the opinion of the Board Shri Rudhra Gangadharan I.A.S. (Retd.) fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulation. Shri Rudhra Gangadharan I.A.S. (Retd.) is independent of the management.

Brief profile of Shri Rudhra Gangadharan I.A.S. (Retd.) is set out in the "Information about Directors seeking appointment/reappointment as mandated under the Listing Regulations" which is annexed with the notice.

The Board recommends the resolution set out in item no. 9 of the Notice for approval of the members of the Company. Shri Rudhra Gangadharan I.A.S. (Retd.) is interested in the resolution as it relates to his appointment. None of other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution, except to the extent of their shareholding in the Company.

ITEM NO. 10

The Members approved appointment of Shri Satpal Kumar Arora (DIN:00061420), as Managing Director of the Company at 27th Annual General Meeting held on September 28, 2016 for a period of 3 years from the date of joining office i.e. w.e.f. March 31, 2016 or till he attain the age of 60 years, whichever is earlier. The Board of Directors (including Nomination and Remuneration Committee) was authorized to fix/increase/alter and to vary the remuneration of Managing Director consisting of salary, perquisites, allowance etc. within the ceiling limits in that behalf as laid down in Schedule V to the Companies Act, 2013. As Shri Satpal Kumar Arora, Managing Director was appointed on the salary structure payable to Central Government employees. TFCI has been following pay scales and facilities payable to its employees at par with that of other Financial Institutions particularly RBI/NABARD/IFCI. In line with modification in RBI and subsequently in IFCI Ltd., the facilities payable to employees were revised in August, 2016. Accordingly the Board of Directors had approved the revision in certain facilities payable to Managing Director with effect from March 1, 2017 as recommended by the Nomination and Remuneration Committee considering disparity in the facilities payable to other senior officials of the company. Considering the fact that pursuant to the implementation of 7th Pay Commission recommendations the Pay Scales and other perquisites of Central Government employees have been revised w.e.f. 1st January, 2016 the salary payable to

the Managing Director also needed revision. Accordingly the Board of Directors approved the revision in pay-scale and allowances payable to him from the date of his appointment i.e. March 31, 2016 as recommended by the Nomination and Remuneration Committee. The remuneration payable to Managing Director is within the revised ceiling limits in that behalf as laid down in Schedule V to the Companies Act, 2013.

The Board recommends the resolution set out in item no. 10 of the Notice for approval of the members of the Company. Shri Satpal Kumar Arora is interested in the resolution as it related to revision in salary/allowance/perquisites payable to him. None of Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested financially or otherwise, in the resolution, except to the extent of their shareholding in the Company.

ITEM NO.11

As per Section 42 of the Companies Act, 2013 read with the Rules framed there under, a company offering or making an invitation to subscribe to Non-Convertible Debentures ("NCDs") on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution. Such an approval by way of special resolution can be obtained once in a year for all the offers and invitations made for such NCDs during the year.

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

The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made thereunder, to enable the Company to offer or invite subscriptions for securities, including but not limited to bonds and non-convertible debentures upto Rs.600 crore on a private placement basis, in one or more tranches, during the period of one year from the date of passing of this Resolution, within the overall borrowing limits of the Company, as approved by the Members from time to time and which shall include any amount borrowed through securities offered on private placement basis and subscribed during the current financial year upto the approval of the shareholders proposed at the Resolution at Item No. 11.

The Board of Directors recommends the passing of the proposed Special Resolution as set out in item No.11 of the Notice by members of the Company.

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

By Order of the Board of Directors

Date : July 31, 2017
Place : New Delhi

(Sanjay Ahuja)
Company Secretary



INFORMATION ABOUT DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS MANDATED IN THE LISTING REGULATION

Shri Niraj Agarwal

Shri Niraj Agarwal age 59 years joined LIC in the year 1984 after completing his Master Degree from the University of Allahabad. He has held many important positions in his career and has worked at the Corporate Office and in three major Zones. Previously he had worked as CEO of Saudi Indian Company for Co-operative Insurance (SICCI) at Saudi Arabia, General Manager, LIC International at Bahrain, Secretary (Personnel/Admn.), CO and Sr. Divisional Manager, DO (SSS).

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

Shri Sanjeev Kaushik IAS

Shri Sanjeev Kaushik aged 48 years is an Indian Administrative Service (IAS) Officer of the 1992 batch (Kerala cadre). An MBA in Finance from London Business School (UK) and Mechanical Engineer from BITS Pilani, Shri Kaushik has worked for over a decade in Global Investment Banking on sabbatical from the IAS. He was Managing Director and Head of Research at HSBC Securities, India and Managing Director of Equities at Lehman Brothers, India. Earlier he has also worked in London as an Equity Analyst at Bank of America Securities (Europe) and as Corporate Finance Manager at ING Barings (UK). Shri Kaushik has handled Financial Markets in the Department of Economic Affairs, Ministry of Finance, Govt. of India, New Delhi where he handled policy and regulatory matters relating to Capital Markets, Foreign Institutional Investment, Foreign Exchange Management and External Commercial Borrowing. He was Member Secretary of the Committee to Liberalise Depository Receipts, Member of the SEBI Committee on Harmonisation of Portfolio Flows and also of the SEBI Committee on Disclosure and Accounting. Earlier he was Director, IMF, IFC and World Bank in the Ministry of Finance. Previous assignments in the IAS include Secretary of Kerala State for Ports and Managing Director & CEO of the \$2 bn Vizhinjam International Seaport being set up in Kerala; Founding Director to establish the Indian Institute of Management, IIM at Calicut; and District Collector of Palghat district in the State of Kerala. Besides TFCI, Shri Sanjeev Kaushik is also serving on the Board of IFCI Ltd as Deputy Managing Director and India Infrastructure Finance Company Limited (IIFCL) as Whole-Time Director and as Director of IIFCL projects Ltd. He does not hold shares of the Company.

Shri B.N.Nayak

Shri B.N.Nayak aged 59 years is a science graduate fellow member of Institute of Chartered Accountants of India and Certified Associate of Indian Institute of Bankers. He has over 33 years of professional experience which include 20 years in IFCI Limited in senior management in various areas like risk management resource mobilization disinvestment treasury and corporate accounts. He has served as the Managing Director of IFCI Venture Capital Funds Ltd. a subsidiary of IFCI Ltd. and as director on the board of various assisted concerns of IFCI in the past. Currently he is a director on

the Board of Gujarat State Energy Generation Ltd. Stock Holding Corporation of India Ltd. and IFCI Venture Capital Funds Ltd. He is member of Audit Committee of Stock Holding Corporation of India Ltd. and IFCI Venture Capital Funds Ltd. He does not hold shares of the Company.

Shri S. Ravi

Shri S. Ravi aged 58 years is B.Sc., M.Com, FCA and is also pursuing Ph.D from the Centre of Management Studies, Jamia Milia Islamia University, New Delhi. Shri Ravi has garnered wide exposure in the Banking Sector due to his directorship on the board of various public sector banks. During his tenure as Director of PSU Banks, viz. Union Bank Corporation Bank, Dena Bank, UCO Bank and Punjab & Sind Bank, he was also on various committees such as Audit Committee, Strategic Revival Committee and Risk Management Committee. He also has experience in the financial sector, viz., Mutual Fund, Home Finance and Capital Market Activities, Venture Capital Fund and Capital Market Activities. He is presently on the Boards of SMERA Ratings Ltd., Jio Payments Bank Ltd., IDBI Bank Ltd., STCI Finance Ltd., BOI Merchant Bankers Ltd. BSE Ltd., Aditya Birla Health Insurance Company Ltd., UTI Trustee Company Pvt. Ltd., SBI-SG Global Securities Services Pvt. Ltd., S.Ravi Financial Management Services Pvt. Ltd., Ravi Rajan Co. and among others. He is also member of Audit Committee of BOI Merchant Bankers Ltd., BSE Ltd., IDBI Bank Ltd. (Chairman), Jio Payments Bank Ltd.(Chairman), SMERA Ratings Ltd. (Chairman), STCI Finance Ltd., UTI Trustee Company Pvt. Ltd. (Chairman). He is member of Stakeholders Relationship Committee of BSE Ltd., IDBI Bank Ltd. He is Chairman of Audit Committee and Nomination & Remuneration Committee of the Company. He does not hold shares of the Company.

Shri S.Sridhar

Shri S.Sridhar age 66 years is former Chairman and Managing Director of Central Bank of India and National Housing Bank. He has vast exposure in banking project financing investment etc. He has diverse experience known for strategic thinking and execution, transformational leadership and strong development commitment.

He is director/member of Jubilant Life Sciences Ltd., Shriram Transport Finance Co Ltd., DCB Bank Ltd., Strides Shasun Ltd., Binani Industries Ltd. India Infoline Housing Finance Ltd., Sewa Grih Rin Ltd., Strategic Research and Information Capital Services Pvt. Ltd., J.P.Morgan Mutual Fund (India) Pvt. Ltd., Nabard Consultancy Services Pvt. Ltd., GVFL Trustee Private Ltd., Incube Trustee Company Pvt. Ltd., Indian Housing Federation.

He is member of Audit Committee of Jubilant Life Sciences Ltd. (Chairman), Binani Industries Ltd., India Infoline Housing Finance Ltd., Shriram Transport Finance Co Ltd.(Chairman), Sewa Grih Rin Ltd., Strides Shasun Ltd. (Chairman). He is member/Chairman of Stakeholders Relationship Committee of Jubilant Life Sciences Ltd. He does not hold shares of the Company.

Shri Rudhra Gangadharan I.A.S. (Retd.)

Shri Rudhra Gangadharan, aged 65 years I.A.S. (Retd.) DIN (07863333) is M.A. (History), MBA and I.A.S (Retd.). He has served in the I.A.S for about 37 years (July, 1975 to June, 2012). He retired as Secretary to Government of India and served thereafter as Member, Central Administrative Tribunal, Bangalore Bench for about 44 months (October 2013 to June 2017). He does not hold shares of the Company.

Important Communication to Members

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



DIRECTORS' REPORT

To the Members:

1. Presentation of the Annual Report

Your Directors have pleasure in presenting the Twenty Eighth Annual Report on the business and operations of the Company and the audited accounts for the financial year 2016-17.

2. Financial Results

The Company's financial performance for the year ended 31st March, 2017 is summarized below:

(Amount in Crore)

Sl.No.	Particulars	2016-17	2015-16
A. Operational Results			
1	Total Income	208.54	185.64
2	Total Expenditure	114.88	107.96
3	Operational Profit before provision and taxes	93.66	77.68
4	Exceptional Income from the sale of property	23.35	-
5	(Provision) for doubtful debts/investment	(20.00)	(2.00)
6	Profit before Tax	97.01	75.68
7	Provision for Tax	26.59	22.06
8	Profit After Tax	70.42	53.61
B. Appropriation of Profit			
9	Opening Balance in Profit & Loss Account	7.23	8.16
10	Less: Provision for doubtful debts u/s 36(1)(viiia) of the Income Tax Act 1961	-	2.81
C. Total Profit Available For Appropriation		77.65	58.96
11	Special Reserve under Section 36(1)(viii) of the Income Tax Act 1961	17.51	13.52
12	Special Reserve u/s 45 IC of RBI Act	14.09	10.72
13	Transfer to General Reserve	15.00	10.00
14	Proposed Dividend	16.14	14.53
15	Provision for Dividend Tax	3.28	2.96
16	TDS Credit Rejection for earlier years	1.61	-
17	Closing Balance in Profit and Loss Account	10.02	7.23
		77.65	58.96

3. Operational Performance

TFCI has been having satisfactory operational performance and financial indicators despite depressed market conditions for the last three years. During 2016-17, TFCI achieved sanctions of Rs.974.80 crore as against

previous year sanctions of Rs.640.70 crore. TFCI made disbursement of Rs.487.37 crore as against previous year disbursement of Rs.380.56 crore. The subdued macro-economic environment and tepid demand scenario had affected the tourism sector in general and hotel industry in particular. This also caused slowdown/deferment and even cancellation of already announced tourism/hotel projects as also lack of interest for new tourism/hotel project developments. TFCI selected tourism projects for financing diligently and as a cautious approach did not take up projects having high capital cost time/cost overruns, market constraints and/or where operational performance has not stabilised. Despite difficult business environment during 2016-17 TFCI recorded total operational income of Rs. 208.54 crore (PY: Rs. 185.64 crore), profit before tax of Rs. 97.01 crore (PY: Rs. 75.68 crore) after considering one time income on sale of property amounting Rs. 23.35 crore and profit after tax of Rs. 70.42 crore (PY: Rs. 53.61 crore).

The balance sheet size has increased to Rs.1700.30 crore for the year under review as compared to that of Rs.1590.20 crore depicting an increase by 6.92%.

Your company continues to explore possibilities for new businesses and has been on the look out for customers who might have financial requirements for setting up new projects, renovation, modernisation and or expansion. However, to ensure increase in its balance sheet size your Company decided to concentrate on take-over financing of potentially viable projects so as to ensure quick disbursement. Your Company expects ample opportunities in appraisal, advisory services, syndication of debts etc. resulting in non-fund based income for the Company. Besides, TFCI has been actively pursuing consultancy assignments for Private Sector and State Governments and their agencies.

3.1. Asset Quality:

The stressed assets issues affecting the banking sector continued during the year and resulted into increase in the NPAs of public sector banks. The subdued macro-economic environment has also affected the tourism sector and thus adversely affecting TFCI's sanctions and disbursements and recovery from assisted concerns. Your Company adhered to the prudential norms for Non-Performing Assets (NPAs) as prescribed by the regulatory authority. During the financial year 2016-17, TFCI made robust recovery of Rs.42.33 crore (Principal: Rs.14.68 crore and Interest/other charges: Rs.27.65 crore) from non-performing accounts. As a result the Gross NPAs of the Corporation reduced from Rs.158.85 crore as on March 31, 2016 to Rs.81.12 crore as on March 31, 2017. Further two accounts have been restructured during the year involving a sum of Rs.47.54 crore which are likely be upgraded during 2017-18 after lapse of one year of satisfactory performance which will further



reduce the gross NPAs of the corporation. As all these accounts are fully secured your Company is confident of realising the entire over dues alongwith further interest/principal during the current year. However, TFCI has made adequate provisions in the books of accounts. The Net NPAs of the company as on March 31, 2017 were Rs.43.02 crore (PY Rs.120.89 crore).

4. Contribution to Tourism and Infrastructure Sector by TFCI

Your Company is the only institution in the country exclusively funding tourism projects with more than 28 years of existence.

Since inception, TFCI has been instrumental for creation/ addition of 48450 hotel rooms in the country. With the financial assistance provided by TFCI, the tourism related projects have provided direct employment to about 90035 persons in tourism industry. The assistance provided by TFCI has also led to catalysing investments to the tune of Rs.27602 Crore in more than 822 projects thereby contributing to the creation of required tourism infrastructure, which has direct bearing on the development of the industry.

5. Dividend

The Board of Directors have recommended dividend of Rs.2.00 per Equity Share i.e. @ 20% on the paid-up Equity Share Capital for the financial year ended March 31, 2017. The total payout on account of payment of dividend will be Rs.16.14 Crore excluding dividend tax of Rs. 3.28 Crore subject to approval by the shareholders.

The final dividend will be paid to those members whose names appear in the Register of Members as on September 25, 2017 in respect of shares in physical form. The dividend will be paid on the basis of beneficial ownership as per details to be furnished by the Depositories i.e National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the end of business on September 15, 2017 in respect of shares held in dematerialized form.

6. Resource Mobilization

Your Company constantly monitors its resource base and taps the appropriate opportunity to minimize the weighted average cost of funds. During the year, your Company met its fund requirements for disbursement as well as repayment/redemption of loans/bonds by way of financial assistance from banks and internal accruals. TFCI has tied up with various banks for financial assistance to meet its future requirement of resources. Further, your Company proposes to raise funds through issue of commercial paper and bonds depending upon the interest rate scenario in the market. Your Company is confident of meeting the funds requirements by raising resources at competitive rates.

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

year ended on March 31, 2017.

7. Regulatory Compliances

Your Company has been classified as Non-Deposit Accepting Non-Banking Financial Company. RBI has been issuing guidelines from time to time with regard to capital adequacy standards, income recognition, asset classification, provisioning and other related matters. The accounting policies of your Company conform to these guidelines. The capital adequacy for your Company stands at a very comfortable level of 39.08% as on the March 31, 2017 as against the prescribed norm of 15%.

8. Management's Discussion and Analysis Report

Management's Discussion and Analysis report containing Industry outlook, its environment, outlook for tourism and other details as stipulated in the Listing Regulation is presented in a separate section forming part of the Directors' Report.

9. Directors and Key Managerial Personnel

During the year Justice (Retd.) Ms. Rekha Sharma was appointed as additional director in the Independent category June 14, 2016 by the Board of Directors for a period upto three years and her appointment was approved by the shareholders in the 27th Annual General Meeting held on September 28, 2016. Shri Malay Mukherjee Non-Executive Chairman resigned as Director w.e.f. December 12, 2016. Shri Sanjeev Kaushik and Shri B.N.Nayak were appointed as Additional Non-Executive Director w.e.f. February 8, 2017. Shri Sanjeev Kaushik has also been appointed as Non-Executive Chairman of the Board.

Further, as per the existing terms of the appointment the tenure of Shri S.Ravi and S.Sridhar was upto 31.3.2017 and 26.5.2017 respectively. The Board of Directors have approved re-appointment of Shri S.Ravi and Shri S.Sridhar as Independent Director for Second Term of 5 (Five) years w.e.f. 1.4.2017 and 27.5.2017 respectively subject to the approval of the shareholders in the ensuing Annual General Meeting. Shri Vivek Nair, Independent Director has since retired on 31.3.2017 as per the terms of his appointment.

Shri Rudhra Gangadharan I.A.S. (Retd.) has been appointed as additional director(s) in the Independent Category on June 30, 2017 by the Board of Directors for a period upto 5 (Five) years subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board appreciates the contribution made by the outgoing directors viz. Shri Malay Mukherjee and Shri Vivek Nair during their tenure. In terms of the provisions of the Companies Act read with Article 135 of the Articles of Association of the Company, Shri Niraj Agawal would retire at the forthcoming Annual General Meeting. The Board recommends the appointment of Shri Sanjeev Kaushik, B.N.Nayak and Shri Rudhra Gangadharan I.A.S. (Retd.) and reappointment of Shri S.Ravi, Shri S.Sridhar and Shri Niraj Agarwal in the forthcoming Annual General Meeting.



During the year under review, the members approved the re-appointments of Shri Niraj Agarwal as Non-Executive Non-Independent Director who is liable to retire by rotation and appointment of Shri Satpal Kumar Arora as Managing Director and Shri K.B.Nagendra Murthy, Justice (Retd.) Ms. Rekha Sharma as Independent Director(s) who are not liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as required under Section 149 of the Companies Act 2013 and the Listing Regulation.

9.1 Performance Evaluation of the Board

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

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

9.2 Director Orientation Program

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

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

9.3 Details of Board meetings

During the year, 4, Board Meetings were held on May 16, 2016, August 10, 2016, November 10, 2016 and February 8, 2017. The intervening gap between the meetings was within the period prescribed under the

Companies Act 2013. The details about the meetings of Audit Committee and other Committees are provided in the report on Corporate Governance which forms part of this Directors' Report.

9.4 Appointments/Resignations of the Key Managerial Personnel

Shri Satpal Kumar Arora Managing Director; Shri Anoop Bali, Chief Financial Officer and Shri Sanjay Ahuja Company Secretary are the Key Managerial Personnel as per the provisions of the Companies Act 2013.

9.5 Company's policy on appointment and remuneration

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

Remuneration Policy

I. Board Level Remuneration Structure

(a) **For Managing Director/Whole-Time Director** - The remuneration is paid as approved from time to time, subject to the approval of the Board and Shareholders as the case may be and as per the applicable provisions of Companies Act, 2013 and under any other Act/ Rules/ Regulations for the time being in force.

(b) **In case of Non-Executive / Independent Directors** The Non-Executive Directors (except Government Servants) were paid sitting fees of Rs.20,000 and Rs.10,000 (plus service tax) per meeting for attending the meetings of Board and its Committees respectively during FY2016-17. The Sitting Fees may be revised by the Board of Directors subject to the overall limits as prescribed under the applicable provisions.

No Director, who is a Government Servant, is entitled to receive any remuneration except as authorized by the Government.

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

The pay structure, allowances, facilities etc. of Key Managerial Personnel and all the regular employees are as per the pay scale, allowances and other facilities etc. as may be approved by the Board and its committee from time to time in line with the salary structure prevalent



in other similar organization such as RBI/NABARD/IFCI. The Performance Linked Incentives both for the Managing Director/Senior Management / Other employees is as per the Board approved scheme.

10. Directors' Responsibility Statement

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

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

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

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

Shareholders may utilize the nomination facility available by sending duly filled form prescribed to our Registrar and Share Transfer Agent, M/s MCS Share Transfer Agent Limited.

Your Company's equity shares are listed with Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Company has paid the Annual Listing Fees to said Stock Exchanges for the financial year 2016-17 and 2017-18. The addresses of the said Stock Exchanges are stated elsewhere in the Annual Report.

12. Auditors

Pursuant to decrease in shareholding of Government

owned institutions and banks in TFCI to below 50%, the Comptroller & Auditor General of India (CAG), vide its letter no.266/CA-V/43-2913 dated 06.03.2017 decided not to appoint its Statutory Auditors from financial year 2017-18 onward. Accordingly, in terms of the provision of Section 139(1) of the Companies Act 2013, the Board of Directors on the recommendation of the Audit Committee of the Board, subject to its confirmation by the members/shareholders in the Annual General Meeting, approved appointment of M/s Suresh Chandra & Associates (SCA), Chartered Accountants as Statutory Auditors of TFCI for a period of five years effective from the financial year 2017-18 for a fee of Rs.5 lakh plus applicable tax in terms of the provision of Section 139 (1) of the Companies Act, 2013, subject to review every year by the Board of Directors and ratification by the members/shareholders at every Annual General Meeting of the Company.

12.1 Auditors' Report

The Auditors Report alongwith notes to accounts referred to in the Auditors Report is self-explanatory and there are no qualifications in the report. However the Auditors have laid emphasis on two cases for write-off. In this regard we submit as under:

- 1) TFCI is pursuing for recovery of TDS claim rejections amounting to Rs.1.61 crore of earlier years with Income Tax Department. The Statutory Auditors were of the opinion that the matter is pending for long and accordingly the amount may be written-off at present and as and when the Income Tax Department allows credit the same should be taken to income. Accordingly, TDS rejections of earlier years amounting to Rs.1.61 crore were written-off against Reserves & Surplus in 2016-17.
- 2) TFCI, in 2011-12, had sanctioned corporate loan of Rs.30 crore to Rainbow Papers Limited (Then Credit Rating BBB+ by CRISIL) secured against pledge of its listed shares giving security cover of 2.5 times. The loan was to be repaid in two instalments on 31.3.2015 and 31.3.2016. The borrower suffered huge losses from 2014-15 onward due to partial stoppage of operations as they could not improve the pollution control measures in the plant. Installment due on 31.3.2015 was recovered. Due to losses, the share price of the borrower witnessed a significant fall. TFCI sold the pledged shares but recovery fell short by Rs.19.12 crore, for which technical write-off was made in the books in 2016-17 without foregoing the rights of recovery against the borrower company and the guarantor. TFCI has initiated recovery proceedings alongwith other co-lenders.

12.2 Secretarial audit

In terms of Section 204 of the Act and Rules made there under, M/s Arun Kumar Gupta & Associates Practicing Company Secretary were appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is



enclosed as Annexure 4 to this report. The report is self-explanatory and do not call for any further comments.

13. Particulars of Employees

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, no employees is drawing remuneration in excess of the limits set out in the said rules.

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

13.1 Committee on Sexual Harassment

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

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

The particulars relating to energy conservation and technology absorption, as required to be disclosed under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is not required as your Company's operations do not involve in manufacturing or processing activities. However while vetting the proposals received for sanction of financial assistance, the aspect of energy conservation, in case of assisted concerns is given due consideration. The particulars regarding Foreign Exchange earnings and outgo are as follows:

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

15. Transfer of amount to Investor Education and Protection Fund

Your Company has transferred unclaimed/unpaid dividend to Investor Education and Protection Fund (IEPF) as required under Section 124 of the Companies Act 2013.

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company as on the date of last AGM (i.e September 28, 2016), with the Ministry of Corporate Affairs.

16. Corporate Social Responsibility

Your Company has constituted Corporate Social Responsibility (CSR) Committee of Directors and the

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

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

Your Company during the year under review has undertaken CSR activities/projects amounting to Rs.161.10 lakh (2% of the average net profit of the last three years) in compliance with CSR objectives and policy of the Company. Out of the same, Rs.150.60 lakh was spent during the year and unspent amount of Rs.10.50 lakh is linked with the progress of the projects. The detail report on the CSR contribution made during the year 2016-17 is annexed as Annexure 2.

17. Corporate Governance and other disclosures

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

17.1 Vigil mechanism

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



17.2 Related party transactions

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

There were no materially significant related party transactions entered by the Company with Promoters/Directors/Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company during the year. The Company's related party transactions are generally with its Associates. The related party transactions are entered into based on synergy in operations, long-term strategy for sectoral investments and profitability. All related party transactions are on an arm's length basis and are intended to further the Company's interests. Your Directors draw attention of the members to Note 24 to the financial statement which sets out related party disclosures.

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

17.3 Extract of Annual Return

Pursuant to section 92(3) of the Companies Act 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is attached as Annexure 3.

17.4 Statement containing salient features of financial statements of subsidiaries

Your Company does not have any subsidiary or Holding Company.

17.5 Risk Management Policy

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

17.6 Significant and material orders passed by the regulators

During the year under review, no significant and/or material orders were passed by the regulators or courts

or tribunals impacting the going concern status and company's operations.

17.7 Internal Financial Controls

The Company has in place, set of standards processes and structure which enable it to implement internal control system and ensure that same are adequate and operating effectively. With a view to enable effectiveness of such internal control measures a third party verification was entrusted to M/s K.G.Somani & Co. Chartered Accountants who after verification confirmed the effectiveness of various control measures. Their report dated 19th May, 2017 in this regard is enclosed as Annexure B to the Directors Report.

17.8 Particulars of Loans given Investments made Guarantees given and Securities provided

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

17.9 Segment Reporting

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

17.10 Material Changes and Commitment Affecting Financial Position of the Company

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. March 31, 2017 and the date of the Directors' report i.e. July 31, 2017.

18. Acknowledgements

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

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

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

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

For and on behalf of the Board of Directors

Date : July 31, 2017
Place : New Delhi

S.Ravi Satpal Kumar Arora
(Director) (Managing Director)



Management's Discussion and Analysis

1. Business and Economic Environment

India has emerged as the fastest growing major economy in the world during financial year 2016-17 as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). The improvement in India's economic fundamentals has accelerated with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices. The Indian economy has registered growth of around 7% in 2016-17 despite temporary disruptions caused by demonetisation, unfavourable global economic environment and slow investment recovery in the country. As per International Monetary Fund (IMF) India's growth is projected to rebound to 7.2 per cent in fiscal year 2017-18 and further to 7.7 per cent in 2018-19. A normal monsoon forecast will support consumption this fiscal year and lead to further increase in GDP growth. To augment growth, the Central Government has taken several initiatives like Make in India, Start-up India, Digital India, Smart Cities, Industrial Corridors, Ease of Doing Business etc. alongwith tax and process reforms.

The indirect tax reform with introduction of Goods and Service Tax (GST) w.e.f 1.7.2017 is considered to be a major milestone in the growth of Indian Economy which will have lasting long term impact on tax buoyancy, ease of doing business and economic growth. These initiatives will provide impetus to the growth of infrastructure, manufacturing and services sectors and are expected to be a key driver for sustained economic growth in the country. IMF has also identified Indian economy as a bright spot in the global landscape. Thus, the long-term growth perspective of the Indian Economy remains positive and it is expected to record GDP growth rate of 7.7%-8.0% for the next 3-4 years with upward bias subsequently.

As the economy is expected to grow at around 8% annually and the government's committed support to the tourism sector, the demand for hotels and other tourism infrastructure projects is expected to improve considerably in mid-term. This is expected to result in opportunities for TFCI to expand its business considerably.

2. Industry Structure and Development

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth amongst the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty

spread across the country. Tourism is a major engine of economic growth and an important source of foreign exchange earnings also has capacity to generate large scale employment opportunities of diverse kind from the most specialised to the unskilled and hence can play a significant role in achieving growth with equity. The industry is expected to generate 13.45 million employment opportunities across its sub-segments. The Ministry of Tourism plans to help the industry meet the increasing demand of skilled and trained manpower by providing hospitality education to students as well as certifying and upgrading skills of existing service providers. India has moved up 13 positions to 52nd rank from 65th in Tourism & Travel competitive index as per World Economic Forum Report. India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism. Domestic Tourist Visits (DTV's) to the States/Union Territories (UTs) grew by 15.5 per cent y-o-y to 1.65 billion during 2016 with the top 10 States/UTs contributing about 84.2 per cent to the total number of DTVs as per Ministry of Tourism. The year 2016 witnessed a growth of 10.7% in Foreign Tourist Arrivals (FTAs) in India as FTAs during 2016 were 88.9 lakh as compared to the FTAs of 80.3 lakh in 2015. The Foreign Exchange Earnings(FEEs) from tourism in rupee terms during 2016 were Rs.155650 crore with a growth of 15.1% over the previous year. India is expected to move up five spots to be ranked among the top five business travel market globally by 2030 as business travel spending in the country is expected to treble until 2030 from US\$ 30 billion in 2015 as per report by KPMG. The tourism and hospitality sector is among the top 10 sectors in India to attract the highest Foreign Direct Investment (FDI). During the period April 2000-December 2016 the hotel and tourism sector attracted around US\$ 9.93 billion of FDI according to the data released by Department of Industrial Policy and Promotion (DIPP). International hotel chains are likely to increase their expansion and investment plans in India and are expected to account for 50 per cent share in the Indian hospitality industry by 2022 from the current 44 per cent according to report of domestic rating agency ICRA.

Government Initiatives

The Indian government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. In the Union Budget 2017-18 the Government of India announced some initiatives to give a boost to the tourism and



hospitality sector such as setting up of five special tourism zones, special pilgrimage or tourism trains and worldwide launch of Incredible India campaign among others.

Some of the major initiatives taken by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

- *E-visa facility has been extended to nationals of 161 countries.*
- *The proposed launch of Incredible India 2.0 campaign as marketing initiative by the Government of India will provide a focussed impetus to the growth of inbound tourism in the country.*
- *The Indian government has also released a fresh category of visa - the medical visa or M visa to encourage medical tourism in the country. It is likely to be a major driver to growth of Indian Economy. A National Medical and Wellness Tourism Board has been set up to work as an umbrella organization to promoter medical/wellness tourism in India.*
- *India has been considered as the Mecca of Wellness Tourism in the World.*
- *In the hotel and tourism sector 100 per cent FDI is allowed through the automatic route. A five-year tax holiday has been offered for 2 3 and 4 star category hotels located around UNESCO World Heritage sites (except Delhi and Mumbai).*
- *Launch of Swadesh Darshan Scheme with vision to develop theme based tourist circuits. Under the scheme 13 thematic circuits have been identified and has approved projects worth Rs.450 crore for the improvement and creation of tourism infrastructure in Madhya Pradesh, Uttarakhand, Tamil Nadu, Uttar Pradesh and Sikkim.*
- *Under PRASAD Scheme 25, sites in 15 states for religious significance have been identified for infrastructure development.*
- *The Heritage City Development and Augmentation Yojana (HRIDAY) action plans for eight missions cities including Varanasi, Mathura, Ajmer, Dwaraka Badami, Vellankini, Warangal and Amaravati have been approved by HRIDAY National Empowered Committee for a total cost of Rs.431 crore.*

3. Opportunities and threats

India's travel and tourism industry has huge growth potential. The tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. India is projected to be the fastest growing nation in the wellness tourism sector in the next five years clocking over 20 per cent gains annually through 2017 according to a study conducted

by SRI International. India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognised as a destination for spiritual tourism for domestic and international tourists. Total contribution by travel and tourism sector to India's GDP is expected to increase from US\$ 136.3 billion in 2015 to US\$ 275.2 billion in 2025. Travel and tourism is the third largest foreign exchange earner for India.

According to hospitality consultancy firm HVS in the financial year 2016-17, for the first time in 8 years hotels across all segments have recorded occupancy of over 65%. It had happened due to the overall economic growth resulting into increased flow of business travellers as well as the domestic leisure travel has also picked up. In last year hotel room supply in India grew at 7-8% and it is expected to remain in same range for the next three years whereas demand is growing at 11-14%. With the new demand absorbing the excess supply in major markets the outlook for investment in tourism sector looks positive. However average room rent (ARR) of five star hotel is still having around Rs.5500/- lower by 30% as compared to ARR of year 2007-08 which is a cause for concern and limiting factor for growth of new investment in this sector. As the demand-supply gap in hotel rooms is likely to bridge in next few years, new opportunities for investments are likely to emerge.

4. Performance

Your Company has been having satisfactory operational performance and financial indicators despite depressed market conditions for the last three years as detailed in para 3 of the Directors' Report. Your Company with a view to withstand the operational and market risk associated with the industry has been pursuing to expand its portfolio by diversifying its operations in other related sectors including entertainment and infrastructure sectors in participation with other lenders. The Company intends to grow its balance sheet size by aggressively pursuing the emerging opportunities which would enable us to leverage the capital and thereby improve return on equity.

5. Outlook

The last five years have seen the Tourism sector deliver a subdued performance due to both the economic downturn and the largest release of new supply. The tide now is turning. India is today the fastest growing major economy in the world. Supply that grew in double digits has petered down to sub-10 per cent and is expected to maintain a single-digit growth over the next four-five years.

The Indian hotel industry's revenue per available rooms (RevPAR) is likely to grow by up to 9 percent in the



next fiscal supported by stronger domestic demand as per ICRA report. The average room rates (ARR) grew by 2 percent during 9 months in FY17 while average occupancy grew by 2 percent. Though the occupancy growth was affected due to the impact of demonetisation on leisure room demand during November-December 2016 (peak season for the industry) at few destinations Pan-India revenue per available rooms (RevPAR) for 9 months of FY17 has increased by 4 percent. India has over 25000 premium rooms under construction to be launched over the next 4 years based on industry announcements.

Industry strongly believe that the decision of demonetization by the government would benefit them in the long-run as business would start moving from unorganised to organised sector. With hospitality business gaining an organised form with the advent of aggregators in the budget and economy space, the industry players are unanimous in their opinion that it will be technology that will be playing a major role in customer acquisition going forward. It is incumbent on the hotels to keep pace with the latest technology trends and new marketing tools on the online space. Despite all the trials and tribulations in the socio-political and economic spheres in the country, the hospitality players are not overly concerned but rather hold faith in the future opportunities in the Indian market. They rest their confidence on the rapid urbanisation, improvements in the physical infrastructure, demographic changes and above all the promises and policies of the Government.

6. Risks and concerns:

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

Credit risk: Credit risk occurs when borrower(s) as a counter party fails to meet its contractual obligations. Credit risk applies not only to loans but also to other on and off-balance sheet exposure such as guarantees, acceptances and investments in securities. Project lending involves certain inherent risks in a developing

economy where long-term macro-economic adjustments towards stability are still in progress. Projects under implementation are prone to time and cost overruns sometimes due to factors beyond the control of the borrower. Project failure may also occur due to adverse market situations and/or mismanagement. Your Company is making all efforts to identify such risks and factors by constantly reviewing and improving appraisal techniques, sensitivity analysis as well as other factors i.e. Project's ability to withstand changes expertise and experience of the borrowers to cope with the adverse situations. Your Company continues to give utmost priority to its credit appraisal, intense monitoring and supervision of the projects on a continuous basis.

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

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

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

The Financial and other operational performance of the Company under review has been discussed in detail in the Director's Report. A detailed third party verification report on Internal Control and their adequacy has been provided as part of the Directors' Report as Annexure B.

8. Discussion on Financial Performance:

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

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

Financial Services sector is a knowledge intensive sector where employees' skills form a critical aspect in proper service delivery. The nature of your Company's business requires trained employees. In pursuance of the Company's commitment to develop and retain the best available talent, the Company had been regularly sponsoring the employees for training programmes organized by professional institutions for upgrading the skill and knowledge in different functional areas. Your company has offices in Delhi and Mumbai to provide effective & prompt service to the clients and also for constant follow-up with assisted units in these regions. The work force strength of your Company as on March 31, 2017 was 32.



CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

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

1. Board of Directors:

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

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

The Board consists of 12 Directors as on March 31 2016 including a Managing Director. Out of 11 Non Executive Directors, 6 were Independent Directors, 2 Nominee Directors representing Ministry of Finance and Ministry of Tourism, Govt. of India and 2 represents IFCI and 1 LIC 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 /Committee 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 4 Board Meetings were held on May 16, 2016, August 10, 2016, November 10, 2016 and February 8, 2017. The intervening gap between the meetings was within the period prescribed under the Companies Act 2013.

Details regarding the category of Directors their attendance at Board Meetings and the last Annual General Meeting number of other Directorships and Committee positions held by them in companies as on March 31 2017 are given below:-

Sl. No.	Name of Director	Category of Directorship	No. of Board Meeting Attended	Attendance at Last AGM	No. of other Directorships/ Committee Chairmanships/ Other Memberships*			
					Directorship in Public Co.	Directorship in Pvt. Co.	Committee Member	Chairman
1	Shri Malay Mukherjee**	Non-Executive Chairman	2	Yes	6	-	-	-
2.	Shri Sanjeev Kaushik@	Non-Executive Chairman	0	N.A	3	-	-	-
3	Shri Satpal Arora	Managing Director	4	Yes	-	-	1	-
4.	Shri A.K.Dogra	Nominee-NED	3	No	1	-	2	-
5	Shri Suman Billa	Nominee-NED	1	No	-	-	-	-
6	Shri Niraj Agarwal	NED	4	Yes	-	-	-	1
7	Shri Vivek Nair*	NEID	0	No	5	10	1	-
8.	Shri S.Ravi	NEID	4	Yes	7	3	5	4
9.	Shri S.Sridhar	NEID	2	Yes	7	6	3	4
10.	Shri S.C.Sekhar	NEID	4	Yes	1	-	2	-
11	Shri K.B.Nagendra Murthy	NEID	3	Yes	2	-	2	-
12.	Justice (Retd.) Ms. Rekha Sharma	NEID	2	Yes	-	-	-	-
13	Shri B.N.Nayak@	NED	1	N.A	3	-	2	-

@ Appointed on 8.2.2017

* Retired on 31.3.2017

** Resigned on 12.12.2016

NED : Non-Executive Director

NEID : Non-Executive Independent Director



Notes:

1. In case of Directors retired/resigned the status of other directorship and committed membership is on the basis of the last disclosure made by the Director.
2. Committee positions of only two committees namely Audit Committee and Investors'/Shareholders' Grievance Committee in only Indian Public Limited Company whether listed or not have been considered pursuant to the Listing Regulation.

2. Board Committee Meetings and Procedures

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

(A) Audit Committee:

i) Constitution and Composition:

The Audit Committee of the Board comprised of 3 Non-Executive Directors including 2 Independent Director. The Chairman of the Committee was an independent director. The Chairman of the Committee attended the last AGM. The Committee met 4 times on May 16, 2016, August 10, 2016, November 10, 2016 and February 8, 2017. The attendance of the members at the meetings was as follows:

Sl. No.	Name of member	Status Attended	No. of Meetings
1.	Shri S. Ravi	Chairman (Independent Director)	4
2.	Shri S.C. Sekhar	Independent Director	4
3	Shri A.K. Dogra	Non-Executive Director	3

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

Terms of Reference

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing with the management the annual financial statements and auditor's report thereon before submission to the board for approval with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems;



13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors debenture holders shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications experience and background etc. of the candidate;

(B) Nomination and Remuneration Committee

(i) Composition:

During the year under report the Nomination and Remuneration Committee of the Board comprised of 4 members (3 Independent Director and 1 Non-Executive Director). The Committee did met 3 times during the year on June 13, 2016, August 10, 2016 and February 8, 2017. The names of the members and attendance are as follows:

	Name of Member	Status	No. of Meetings Attended
1.	Shri S. Ravi	Chairman (Independent Director)	3
2.	Shri Vivek Nair@	Independent Director	0
4.	Shri A.K. Dogra	Non-Executive Director	2
5.	Shri K.B.N. Murthy	Independent Director	2

@retired on 31.3.2017

(ii) Terms of reference:

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

(iii) Selection of Independent Directors

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

(iv) Remuneration Policy:

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

**(v) (a) Details of remuneration paid to Directors for the year 2016-17:**

- (i) Shri Satpal Kumar Arora, Managing Director was paid remuneration of Rs.30,14,013 during FY 2016-17.
- (ii) Notice period for termination of appointment of Managing Director is one months on either side or one months' pay in lieu thereof.
- (iii) No severance pay is payable on termination of appointment.
- (iv) No Stock Appreciation Rights (SARs) have been granted.

(vi) 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 Rs.)
Shri Niraj Agarwal (LIC of India)	2,18,350
Shri Vivek Nair	46,000
Shri S.Ravi	2,06,800
Shri S.Sridhar	1,49,500
Shri S.C.Sekhar	1,49,350
Dr K.B.Nagendra Murthy	2,06,850
Justice (Retd.) Ms. Rekha Sharma	57,500

During the year under report, the Company has not paid any remuneration to Non Executive Directors except by way of Sitting Fee which was paid @ Rs.20,000 and Rs.10,000 (plus service tax) per meeting for attending the meetings of Board and its Committees respectively. .

(vii) Details of Number of Shares and Convertible Instruments Held by Executive/Non-Executive Directors as on March 31, 2017:

Sl. No.	Designation (Nominee/Representing Institution)	Equity Shares/ Convertible Instruments
1	Shri Sanjeev Kaushik IAS Non- Executive Chairman	Nil
2.	Shri S.P.Arora Managing Director	Nil
3.	Shri A.K.Dogra	Nil
4.	Shri Suman Billa	Nil
5.	Shri Niraj Agarwal	Nil
6.	Shri B.N.Nayak	Nil
7.	Shri Vivek Nair	Nil

Sl. No.	Designation (Nominee/Representing Institution)	Equity Shares/ Convertible Instruments
8.	Shri S.Ravi	Nil
9	Shri S.Sridhar	Nil
10	Shri Subrahmoneyan Chandra Sekhar	500 Equity Shares
11	Dr. K B Nagendra Murthy	Nil
12	Justice (Retd.) Ms. Rekha Sharma	Nil

(C) Stakeholder Relationship Committee:

i) Composition: During the year under report the Investor-Grievances Committee of the Board comprised of 2 Directors including 1 Non-Executive Director (Chairman of the meeting). During the financial year 2016-2017 the Committee met once. The names and the attendance of the members at the meeting were as follows:

ii) Name of Member	Status	No. of Meetings Attended
1. Shri Niraj Agarwal	Chairman (Non-Executive Director)	1
2. Shri Satpal Kumar Arora	Managing Director	1

iii) Terms of reference:

1. Consider and resolve the grievances of security holders of the Company and
2. Redressal of shareholder and investors complaints

During the year, 213 complaints were received from the shareholders and were replied/solved to the satisfaction of the shareholders. As on March 31, 2017 no request for transfer/transmission was pending.

(D) Corporate Social Responsibility Committee**i) Composition**

During the year under report, the Corporate Social Responsibility Committee of the Board comprised of 5 Non-Executive Independent Directors. The Chairman of the Committee is an Independent Director. The Committee met 3 times during the year on May 16, 2016 November 10, 2016 and February 27, 2017. The names of the members are as follows:



Name of Member	Status	No. of Meetings Attended
Shri S.Sridhar Chairman	Independent Director	2
Shri Satpal Kumar Arora	Managing Director	3
Shri Vivek Nair@	Independent Director	0
Shri Suman Billa	Non-Executive Director	1
Shri B.N.Nayak*	Non-Executive Director	0

@since retired on 31.3.2017

*Appointed on 8.2.2017

ii) **Terms of reference:**

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

**(E) Risk Management Committee
Composition**

Name of Member	Status	No. of Meetings Attended
Shri S.Ravi (Chairman)	Independent Director	2
Shri Satpal Kumar Arora	Managing Director	2
Shri B.N.Nayak	Non-Executive Director (w.e.f. 8.2.2017)	0
Shri B.M.Gupta	Executive Director	2

The Risk Management Committee was constituted adhering to the requirements of the Companies Act, 2013 and the Listing Regulation. The Committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company. The Committee's constitution meets with the requirements of the Listing Regulation. Role and Responsibilities of the Committee includes periodically reviewing and evaluating the Risk Management Policy

and practices with respect to risk assessment and risk management processes. Overseeing implementation of Risk Management Plan and Policy, Monitoring of Risk Management. Two meetings of the Committee was held during the year on 16.5.2016 and 10.11.2016.

(F) Committee Meetings of Independent Directors

The Committee of Company's all Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meeting are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. One meeting of Independent Directors was held during the year 2016-17.

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

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

**3. Other Committees
Share-Transfer Committee**

The Company has constituted Share-Transfer Committee to approve transfer/transmission of shares issued by the Company. It also approves issue of duplicate certificates after split/consolidation/renewal and also monitors the investors' grievances. At present the Share Transfer Committee comprises Managing Director CFO and Company Secretary. During the year, the Committee had 22 meetings. A report on the meetings of Share Transfer Committee is placed before the Board for information.

4. Functional Committees

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

Procedure at Committee Meetings

The Company's guidelines relating to Board Meeting



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

5. General Body Meeting:

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

Financial Year	Date	Time	Location
2015-16	September 28, 2016	2.00 p.m.	Mavlankar Hall Rafi Marg New Delhi
2014-15	September 21, 2015	2.00 p.m.	Air Force Auditorium Subroto Park New Delhi
2013-14	September 22, 2014	11.00 a.m.	Air Force Auditorium Subroto Park New Delhi

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

AGM Date	Relevant provisions of the Companies Act 2013 (or Resolutions Companies Act 1956)	Particulars of Special
28.9.2016	(i) Section 41,71	Issue of Bonds/ Debentures
21.9.2015	(i) Section 41,71	Issue of Bonds/ Debentures
22.9.2014	(i) Section 14	Alteration in Articles of Association
	(ii) Section 180(1) (a)	B o r r o w i n g s / mortgage
	(iii) Section 180(1) (c)	B o r r o w i n g s / mortgage
	(iv) Section 42,71	Issue of Bonds/ Debentures

6. Disclosures

(A) None of the directors hold any shares in the Company except Shri S.C.Sekhar as detailed above who holds 500 equity shares.

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

(C) Related Party Transactions

Related party transactions during the year have been disclosed in note No.24 to the financial statement 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 Institute of Chartered Accountants of India/ Company (Accounting Standards) Rules 2006 and the guidelines issued by Reserve Bank of India from time to time to the extent applicable. The significant accounting policies have been set out in the Notes to the Accounts.

(E) Disclosure on Risk Management

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

(F) The Company has complied with the mandatory requirements of the Listing Regulation.

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

8. Code of Conduct

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

8.1 Prohibition of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations 2015 and Companies Act 2013 with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code



requires pre-clearance for dealing in the Company's shares beyond threshold limits. Further it prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. With a view to regulate trading in securities by the directors and designated employees the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

8.2 Whistle Blower policy

The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review no employee was denied access to the Audit Committee.

9. General Shareholders' Information company Registration Details

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

9.1 ANNUAL GENERAL MEETING is proposed to be held on September 25, 2017 at 3.00 p.m. at IFCI Tower 61 Nehru Place, New Delhi 110019.

9.2 Financial calendar (tentative)

Financial Year: April 1, 2017 to March 31, 2017
 Results for the quarter ending:
 June 30, 2017 - July/August 2017
 September 30, 2017 - October/November 2017
 December 31, 2017 - January/February 2018
 March 31, 2018 - April/May 2018
 Annual General Meeting - September 2017

9.3 Date of Book Closure

September 18, 2017 to September 25, 2017

9.4 Dividend Payment

Credit/dispatched between October 20, 2017 to October 24, 2017.

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 2016-2017

TFCI Share Price (in Rs.)

Month & Year	BSE		NSE	
	High	Low	High	Low
Apr-16	46.30	42.05	46.45	42.00
May-16	45.00	34.75	44.90	34.75
Jun-16	42.60	35.30	42.60	35.20
Jul-16	43.80	39.80	43.40	39.90
Aug-16	51.25	40.70	50.95	40.65
Sep-16	54.15	43.15	54.10	43.50
Oct-16	71.90	48.00	72.00	48.05
Nov-16	70.25	44.55	69.90	44.50
Dec-16	54.45	48.50	54.35	48.55
Jan-17	62.10	52.00	62.25	51.85
Feb-17	63.00	55.90	57.80	55.80
Mar-17	83.65	56.30	83.70	55.50

Stock code: BSE: 526650 NSE: TFCILTD

Demat ISIN code: INE305A01015

9.7 Performance in comparison to broad-based indices:

TFCI's share-price performance relative to NSE Nifty and BSE sensx during the year 2016-17

	(% change)	(% change)	(% change)
TFCI's share	Index	TFCI's share Price	TFCI relative to index
BSE Sensex	+16.88%	+94.11%	+72.23%
NSE Nifty	+18.54%	+93.98%	+75.44%

9.8 Registrar and Share-Transfer Agent:

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

9.9 Share-Transfer System:

All the transfers are processed by the Registrar and Share Transfer Agents and are approved by the Share Transfer Committee. Pursuant to the Listing Regulation certificates on half year basis have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations 1996 certificates have also been received from a Company Secretary-in Practice for timely dematerialization of the shares of the Company and for conducting Secretarial Audit on a quarterly basis for re-conciliation of the share capital of the Company.



9.10 Distribution of Shareholding as on March 31, 2017

No. of Shares	Shares	No. of share-holders	% Shares	% Holders	
1	500	7919753	59641	9.8118	87.7641
501	1000	3423405	3954	4.2413	5.8185
1001	2000	3089347	1926	3.8274	2.8342
2001	3000	1917675	722	2.3758	1.0625
3001	4000	1198341	324	1.4846	.4768
4001	5000	2042787	422	2.5308	.6210
5001	10000	3892711	501	4.8227	.7372
10001	50000	8275881	381	10.2530	.5607
50001	100000	2903034	42	3.5966	.0618
And Above	46053814	43	57.0561		.0633
Total	80716748	67956	100.00		100.00

9.11 Categories of Shareholders as on March 31, 2017

SHAREHOLDING PATTERN AS ON 31.3.2017		
Name of Shareholder	No. of share	%
1. Promoters/Promoters Group		
(i) IFCI Ltd.	2,36,99,684	29.36
(ii) Life Insurance Corporation of India	54,13,180	6.71
(iii) Bank of India	37,90,024	4.70
(iv) United India Insurance Co. Ltd.	11,98,002	1.48
(v) The Oriental Insurance Co. Ltd	8,61,527	1.07
Total Promoters Holding	3,49,62,417	43.31
2. Mutual Fund	3,63,112	0.45
3. other Banks/Financial institutions	9,506	0.01
4. Foreign Portfolio Investors	17,25,202	2.14
5. Bodies Corporates	1,22,44,106	15.17
6. Individual Shareholding (General Public)	3,06,00,551	37.91
7. Trust	2,906	0.00
8. NRI	8,04,198	1.00
9. NBFC Registered with RBI	4,750	0.01
Total Public shareholding	4,57,54,331	56.69
Grand Total	8,07,16,748	100.00

9.12 Dematerialization of Shares

Sl. No.	Electronic/physical	Mode of holding %
1	NSDL	78.23%
2	CDSL	18.70%
3	Physical	3.07%
	TOTAL	100.00

Trading in Equity Shares of the Company is permitted only in dematerialized form. As on March 31, 2017 96.93% of Company's total equity shares representing 78230808 Equity Shares were held in dematerialized form and the balance shares were in physical form.

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

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

9.15 Address for correspondence:

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

The Company's other office is situated at: 9th Floor Earnest House, Nariman Point, Mumbai-400021, Tel : 022- 61293428

Shareholders' correspondence should be addressed to:

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

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

10. Review of Directors' Responsibility Statement

The Board in its Report has confirmed that the annual accounts for the year ended March 31, 2017 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

11. Compliance Certificate of the Auditors

The Secretarial Auditors have issued certificate confirming compliance with the conditions of Corporate Governance as stipulated in the Listing Regulation. 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 Listing Regulation. The Managing Director and the Chief Financial Officer of the Company also give quarterly certification on financial results in terms of the Listing Regulation.



19th May, 2017

Tourism Finance Corporation of India Ltd.
4th Floor Tower 1
NBCC Plaza Pushp Vihar
Sector 5 Saket
New Delhi-110017

Dear Sir,

Sub: Report on Internal Financial Control of "Tourism Finance Corporation of India Ltd. (TFCIL)"

This is with reference to our appointment vide your letter no. TFCI/Account-IFC/2017 dated 13th February 2017 in respect of our Assignment for implementation of internal financial Controls (IFC) Framework. We have designed Risk Control Matrices (RCMs) & flowcharts and conducted IFC implementation testing of all the following RCMs/processes. The test of operating effectiveness of the existing IFC framework (Financial and Operational controls) has been conducted in line with sampling methodology as per the guidance note issued by ICAI. During the course of designing and testing, our observations and findings were discussed with concerned Head of departments.

We submit herewith the Report on "Internal Financial Controls" of TFCIL comprising our observations and recommendations wherever necessary including copies of RCMs and Flowcharts. These following RCMs includes our test scripts also:-

1. Fixed Assets
2. IT Gneral Control
3. Asset Liability Management (ALM)
4. Cash & Bank
5. Admin process
6. Hire to Retire (H2R)
7. Taxation
8. Tourism Consultancy
9. Financial Statement Closing Process (FSCP)
10. Entity Level Control
11. Financial Assistance Operations

Internal Financial control system over financial reporting were operating effectively in all material respects as at 31st March 2017. Some of the recommendation/suggestions have been given for further strengthening of internal financial controls of the organization.

We hope you will find the above in order. In case you require any further clarification please feel free to contact us.

We express our sincere gratitude to the officers and staff of the organisation for the assistance and cooperation extended to our team while conducting the assignment work.

Kindly acknowledge the receipt of the same.

Thanking you
For K.G. Somani & Co.
Chartered Accountants

Sd/-
(Bhuvnesh Maheshwari)
Partner



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

Sr. No.	Requirements	Disclosure
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Shri S.P. Arora, MD 1.30 : 1
2	The percentage increase in remuneration of each director CFO/CEO/CS in the financial year	Shri S.P. Arora, MD 11.32% Shri Anoop Bali, CFO 16.63% Shri Sanjay Ahuja, CS 18.95%
3	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 37%. The calculation of 37% increase in Median Remuneration is done based on comparable employees.
4	The number of permanent employees on the rolls of the Company	There were 32 employees as on March 31, 2017
5	The explanation on the relationship between average increase in remuneration and Company performance	The Company follows fixed pay structure for the all the permanent employees which are comparable with other public sector financial institutions. However the performance linked incentives are based on the financial performance of the Company.
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	During FY 2016-17 KMPs were paid remuneration approximately 1.00% of the profit before tax for the year.
7	Variations in the market capitalization of the Company price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	The Market capitalization of the Company has increased from Rs.342.23 Crores as of March 31, 2016 to Rs.663.89 Crores as of March 31, 2017. Over the same period the price to earnings ratio moved from 6.38 to 9.42. The stockprice as at March 31, 2017 has increased by 93.98% to Rs. 82.25 over the last year 31.3.2016 of price of Rs. 42.40
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Not Applicable to the Company as all the employees are considered under Managerial role.
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	The comparison of remuneration of each of the Key Managerial personnel against the performance of the Company is as under : Particulars % of Profit before tax for FY2016-17 MD 0.31 CFO 0.40 CS 0.29
10	The key parameters for any variable component of remuneration availed by the directors	The Non-Executive Directors (except Government Servants) are being paid Sitting Fee of Rs.20000 and Rs.10000 (plus service tax) per meeting for attending the meetings of Board and its Committees respectively. The Sitting Fee may be revised by the Board of Directors from time to time subject to the overall limits as prescribed under the applicable provisions.
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	There are two Top Management Executives who are not directors but receive remuneration in excess of the remuneration of Managing Director during the year. 1. Shri B.M.Gupta, ED 1.43:1 2. Shri Anoop Bali CGM/CFO 1.29:1
12	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes the remuneration payable to MD/Employees are as per the remuneration policy of the company approved by the Board..
13.	Name of every employee of the company who: (i) If employed throughout the financial year was in receipt of remuneration for that year which in the aggregate was not less than sixty lakh rupees; (ii) If employed for a part of the financial year was in receipt of remuneration for any part of that year at a rate which in the aggregate was not less than five lakh rupees per month including; (i) Designation of the employee;(ii) Remuneration received;(iii) Nature of employment whether contractual or otherwise;(iv) Qualifications and experience of the employee;(v) Date of commencement of employment;(vi) The age of such employee;(vii) The last employment held by such employee before joining the company;(viii) The percentage of equity shares held by the employee in the company; and(ix) Whether any such employee is a relative of any director or manager of the Company and if so name of such director or manager.	Not Applicable.

General Notes

- (1) Remuneration in case of MD is as per the terms of appointment approved by the Board and Shareholders.
- (2) The Remuneration for the purpose of this table is defined as per the Form 16 (on an annualized basis).



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

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

Vision Statement

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

Objective

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

Web-link to the CSR policy

<http://www.tfcilttd.com/policies.html>

2. The composition of the CSR Committee

During the year under report, the Corporate Social Responsibility Committee of the Board comprised of 4 Directors. The Chairman of the Committee is an Independent Director viz. Shri S.Sridhar. The Committee met 3 times during the year on May 16, 2016, November 10, 2016 and February 27, 2017. The attendance of the members during 2016-17 was as under:

Name of Member	Status	No. of Meetings Attended
1. Shri S. Sridhar Chairman	Independent Director	2
2. Shri S.P.Arora	Managing Director	3
3. Shri Suman Billa	Non-Executive Director	1
4. Shri B.N.Nayak*	Non-Executive Director	0

*appointed w.e.f. 8.2.2017

3. Average Net Profit of the company for last 3 financial years **Rs. 80,53,47,052**
4. Prescribed CSR expenditure (2% of amount) **Rs.161.10 lakh**
5. Details of CSR activities/projects undertaken during the year:
- a) total amount to be spent for Financial Year: **Rs.161.10 lakh**
- b) total amount spent during the year: **Rs. 150.60 lakh**
- c) amount un-spent if any: **Rs.10.50 lakh**
 (unspent amount of Rs.10.50 lakh is linked with the progress of the projects wherein advance payment to implementing agencies was made and project progress is being monitored)
- c) manner in which the amount spent during financial year is detailed below:



1	2	3	4	5	6	7	8
Sr. No	CSR project/ activity identified	Sector in which the Project is covered	Projects/Program 1.Local area/others- 2.specify the state /district (Name of the District/s State/s where project/pro- gram was undertaken)	Amount out- lay (budget) project/ pro- gramme wise (Rs. in lakh)	Amount spent on the project/ program (Rs. in lakh Sub-heads: 1.Direct expen. on project/ pro- gram 2.Overheads:	Cumula- tive spend upto to the reporting period (Rs. in lakh)	Amount spent: Direct/ through implmenting agency* (Rs. in lakh)
1.	Providing employment oriented Skill Training Programs (EOSTP) during 2016-17 for 55 unemployed youths in the Tourism and Hospitality Industry.	Education	Institute of Labour Development (ILD) for providing employment oriented Skill Training Programs (EOSTP) during 2016-17 for 55 unemployed youths in the Tourism and Hospitality Industry.	25.00	25.00	25.00	Through Implementing Agency
2.	Contribution for free education with food clothing of under privileged children	Education and Malnutrition	Contribution for free education with food clothing study material and health care of about 50 under-privileged children @6000/- per child per year to Shirdi Sai Baba Temple Society Faridabad Haryana (SSBTS).	3.00	3.00	3.00	Through Implementing Agency
3.	Free education/vocational training/health care to un-derprivi- leged	Education	PARYAS SOCIAL WELFARE SOCIETY (PRAYAS) for providing free education/vocational training/health care to underprivileged and backward class of society.	8.00	4.00	4.00	Through Implementing Agency
4.	Contribution for part funding for renova- tion of bathrooms of orphanage building	Sanitation	ARYA KANYA SADAN towards contribution for part funding for renovation of 25 bathrooms of orphanage building housing over 80 girls in Faridabad Haryana.	5.00	2.50	2.50	Through Implementing Agency
5.	Mid day meal of stu- dents	Malnutrition	AKSHAYA PATRA FOUNDATION for mid day meal of 850 students at a cost of Rs.950 per child per annum at Vadodara Surat Hubli Rourkela Bhilai.	8.00	4.00	4.00	Through Implementing Agency
6.	Contribution to Prime Minister's National Relief Fund	Prime Minister's National Relief Fund	Contribution to Prime Minister's National Relief Fund	112.10	112.10	112.10	Direct
				161.10	150.60	150.60	

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is reproduced below:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the Company

Date : July 31, 2017

Place : New Delhi

Sd/-
(Managing Director)

Sd/-
(Chairman of CSR Committee)



Form No. MGT-9
EXTRACT OF ANNUAL RETURN
 as on the financial year ended on 31st March 2017 of
TOURISM FINANCE CORPORATION OF INDIA LIMITED
 [Pursuant to Section 92(1) of the Companies Act 2013 and rule 12(1) of the Companies
 (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L65910DL1989PLC034812
ii) Registration Date	27.1.1989
iii) Name of the Company	Tourism Finance Corporation of India Limited
iv) Category/Sub-Category of the Company	Company having Share Capital
v) Address of the Registered Office	4th Floor, Tower 1, NBCC Plaza, Pushp Vihar, Sector V, Saket, New Delhi 110017 Phone: 01129561180 Fax:01129561171
vi) Whether listed company	Yes
vii) Name Address and contact details of Registrar & Transfer Agents (RTA), if any	MCS Share Transfer Agent Ltd. F-65 Okhla Ind Area Phase I New Delhi 110020

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Financial Services		100%

III. PARTICULARS OF HOLDING SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
	Nil				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise shareholding

Category code	Category of shareholder	No of Shares held at the beginning of the year 31.03.2016					No of Shares held at the end of the year 31.03.2017					percentage Change during the Years
		Number of share-holders	Number of shares held in Dematerialised form	Number of shares held in Physical form	Total number of shares	Total share-holding as a percentage of total number of shares	Number of share-holders	Number of shares held in Dematerialised form	Number of shares held in Physical form	Total number of shares	Total share-holding as a percentage of total number of shares	
(A)	Shareholding of Promoter and Promoter Group											
(1)	Indian											
(a)	Individuals/ HUF	0	0	0	0	0.00	0	0	0	0	0.00	0.00
(b)	Central Government/ State Government(s)	0	0	0	0	0.00	0	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0	0.00	0	0	0	0	0.00	0.00
(d)	Financial Institutions/ Banks	6	45469787	0	45469787	56.33	5	34962417	0	34962417	43.31	-13.02
(e)	Any Other (specify)	0	0	0	0	0.00	0	0	0	0	0.00	0.00
	Sub-Total (A)(1)	6	45469787	0	45469787	56.33	5	34962417	0	34962417	43.31	-13.02
(2)	Foreign				0				0			0.00
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0.00	0	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0	0.00	0	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0	0.00	0	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0	0.00	0	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0	0.00	0	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0	0.00	0	0	0	0	0.00	0.00



TOURISM FINANCE CORPORATION OF INDIA LIMITED

Category code	Category of shareholder	No of Shares held at the beginning of the year 31.03.2016					No of Shares held at the end of the year 31.03.2017					percentage Change during the Years
		Number of shareholders	Number of shares held in Dematerialised form	Number of shares held in Physical form	Total number of shares	Total share-holding as a percentage of total number of shares	Number of shareholders	Number of shares held in Dematerialised form	Number of shares held in Physical form	Total number of shares	Total share-holding as a percentage of total number of shares	
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	6	45469787	0	45469787	56.33	5	34962417	0	34962417	43.31	-13.02
(B)	Public shareholding											
(1)	Institutions			0								0.00
(a)	Mutual Funds/UTI	20	3772320	3200	3775520	4.68	5	363112	3200	359912	0.45	-4.23
(b)	Financial Institutions/ Banks	6	97291	1600	98891	0.12	5	9506	1600	7906	0.01	-0.11
(c)	Central Government/ State Government(s)	0	0	0	0	0.00	0	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0	0.00	0	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0	0.00	0	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	5	753879	0	753879	0.93	6	1725202	0	1725202	2.14	+1.21
(g)	Foreign Venture Capital Investors	0	0	0	0	0.00	0	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0	0.00	0	0	0	0	0.00	0.00
(i)	Any Other	0	0	0	0	0.00	0	0	0	0	0.00	0.00
	Sub-Total (B)(1)	31	4623490	4800	4628290	5.73	16	2097820	4800	2093020	2.60	-3.13
(2)	Non-institutions			0					0			0.00
(a)	Bodies Corporate	802	6950139	81401	7031540	8.71	1116	12244106	81401	12162705	15.17	6.46
(b)	Individuals -											
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	63493	17260252	2441732	19701984	24.41	66243	23642242	2399739	21242503	29.29	4.88
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	74	3085501	0	3085501	3.82	122	6958309	0	6958309	8.62	4.8
	NBFC Registered with RBI						2	4750	0	4750	0.01	.01
(c)	Qualified Foreign Investor	0	0	0	0	0.00	0	0	0	0	0.00	0.00
(d)	Any Other	0	0	0	0	0.00	0	0	0	0	0.00	0.00
i	Trust & Foundations	2	2956	0	2956	0.01	2	2906	0	2906	0.01	0.00
ii	Coperative Societies	0	0	0	0	0.00	0	0	0	0	0.00	0.00
iii	Educational Institutions	0	0	0	0	0.00	0	0	0	0	0.00	0.00
iv	Non Resident Individual	360	796690	0	796690	0.99	450	804198	0	804198	0.99	0.00
v	Foreign Companies	0	0	0	0	0.00	0	0	0	0	0.00	0.00
vi	OCBs	0	0	0	0	0.00	0	0	0	0	0.00	0.00
	Sub-Total (B)(2)	64731	28095538	2523133	30618671	37.94	67935	43656511	2481140	41175371	54.09	16.15
	Total Public Shareholding (B)= (B)(1)+(B)(2)	64762	32719028	2527933	35246961	43.67	67951	45754331	2485940	43268391	56.69	13.02
	TOTAL (A)+(B)	64768	78188815	2527933	80716748	100.0	67956	80716748	2485940	78230808	100.0	0.00



Category code	Category of shareholder	No of Shares held at the beginning of the year 31.03.2016					No of Shares held at the end of the year 31.03.2017					percentage Change during the Years
		Number of share-holders	Number of shares held in Dematerialised form	Number of shares held in Physical form	Total number of shares	Total share-holding as a percentage of total number of shares As a percentage of (A+B)	Number of share-holders	Number of shares held in Dematerialised form	Number of shares held in Physical form	Total number of shares	Total share-holding as a percentage of total number of shares As a percentage of (A+B)	
(1)	Promoter and Promoter Group	0	0	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A)+(B)+(C)	64768	78188815	2527933	80716748	100.0	67956	80716748	2485940	78230808	100.0	0.00

(II) Shareholding of Promoters

Sl No		Shareholding at the beginning of the year (1.4.2016)			Cumulative Shareholding during the year (1.4.2016 to 31.3.2017)			% change In share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	IFCI Ltd.	3,15,58,613	39.10	NIL	2,36,99,684	29.36	NIL	-9.74
2.	State Bank of India	26,48,441	3.28	NIL	NIL	NIL	NIL	-3.28
3.	Life Insurance Corporation of India	54,13,180	6.71	NIL	54,13,180	6.71	NIL	NIL
4.	Bank of India	37,90,024	4.70	NIL	37,90,024	4.70	NIL	NIL
5.	United India Insurance Co. Ltd.	11,98,002	1.48	NIL	11,98,002	1.48	NIL	NIL
6.	The Oriental Insurance Co. Ltd	8,61,527	1.07	NIL	8,61,527	1.07	NIL	NIL
	Total Promoters Holding at the end of the Year	4,54,69,787	56.34	NIL	3,49,62,417	43.32	NIL	-13.02

(iii) Change in Promoters' Shareholding (please specify if there is no change)

Sl. No.		Shareholding at the beginning of the year (1.4.2016)		Cumulative Shareholding during the year (1.4.2016 to 31.3.2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year 1.4.2016				
1.	IFCI Ltd.	3,15,58,613	39.10		
	Date of Change (YYYYMMDD)	No. of Share sold	Reason		
	20160415	-5108	Sale	31553505	39.09
	20160422	-16525	Sale	31536980	39.07
	20160429	-31052	Sale	31505928	39.03
	20160520	-45	Sale	31505883	39.03
	20160603	-81923	Sale	31423960	38.93
	20160610	-346047	Sale	31077913	38.50
	20160617	-384267	Sale	30693646	38.03
	20160624	-61336	Sale	30632310	37.95
	20160630	-200000	Sale	30432310	37.70
	20160701	-100000	Sale	30332310	37.58
	20160708	-344202	Sale	29988108	37.15
	20160715	-66226	Sale	29921882	37.07
	20160729	-177325	Sale	29744557	36.85



TOURISM FINANCE CORPORATION OF INDIA LIMITED

	20160805	-100000	Sale	29644557	36.73
	20160819	-300000	Sale	29344557	36.36
	20160826	-500000	Sale	28844557	35.74
	20160902	-500000	Sale	28344557	35.12
	20160909	-400000	Sale	27944557	34.62
	20160916	-100000	Sale	27844557	34.50
	20160923	-29000	Sale	27815557	34.46
	20160930	-262459	Sale	27553098	34.14
	20161007	-353927	Sale	27199171	33.70
	20161104	-118821	Sale	27080350	33.55
	20170324	-1749500	Sale	25330850	31.38
	20170331	-1631166	Sale	23699684	29.36
2.	State Bank of India	2648441	3.28		
	Date of Change		Reason		
	20160408	-74135	Sale	2574306	3.19
	20160610	-534925	Sale	2039381	2.53
	20160617	-55932	Sale	1983449	2.46
	20160701	-325000	Sale	1658449	2.05
	20160708	-50000	Sale	1608449	1.99
	20160715	-66805	Sale	1541644	1.91
	20160722	-40025	Sale	1501619	1.86
	20160729	-193245	Sale	1308374	1.62
	20160805	-50000	Sale	1258374	1.56
	20160819	-50000	Sale	1208374	1.50
	20160826	-447251	Sale	761123	0.94
	20160902	-479251	Sale	281872	0.35
	20160909	-201872	Sale	80000	0.10
	20160916	-80000	Sale	0	0
3.	Life Insurance Corporation of India	54,13,180	6.71		
4	Bank of India	37,90,024	4.70		
5	United India Insurance Co. Ltd.	11,98,002	1.48		
6	The Oriental Insurance Co. Ltd	8,61,527	1.07		
	Total Promoters Holding At the beginning of the year	4,54,69,787	56.34		
	At the end of the year 31.3.2017				
1.	IFCI Ltd.			2,36,99,684	29.36
2.	Life Insurance Corporation of India			54,13,180	6.71
3.	Bank of India			37,90,024	4.70
4	United India Insurance Co. Ltd.			11,98,002	1.48
5	The Oriental Insurance Co. Ltd			8,61,527	1.07
	Total Promoters Holding at the end of the Year			3,49,62,417	43.32

the change in shareholding is due to sale of shares.



TOURISM FINANCE CORPORATION OF INDIA LIMITED

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	Name	Shareholding				Cumulative Shareholding during the year (31-03-16 to 31-03-17)	
		No of Shares at the Beginning (31-03-16)/end of the Year (31-03-17)	% of total shares of the Company	Date	Increase / Decrease in Shareholding	Shares	% of total shares of the Company
1	Nikita Aditya Mundra	0	0	20160331			
				20160902	130964	130964	0.16
				20160909	159899	290863	0.36
				20160916	670562	961425	1.19
				20160923	317191	1278616	1.58
				20160930	121384	1400000	1.73
				20161118	45275	1445275	1.79
				20170324	-45275	1400000	1.73
		1400000	1.73	20170331			
2	Indian Syntans Investments (P) Ltd	1172599	1.45	20160331			
		1172599	1.45	20170331	NIL		
3	Prime India Opportunity Ltd	0	0	20160331			
				20170303	71968	71968	0.09
				20170310	28032	100000	0.12
				20170317	50000	150000	0.19
				20170324	150000	300000	0.37
		1006702	1.25	20170331	706702	1006702	1.25
4	Jodhan Investment And Finance Corporation Private Limited	501170	0.62	20160331			
				20161028	-10000	491170	0.61
		491170	0.61	20170331			
5	Edelweiss Custodial Services Ltd	0	0	20160331			
				20160715	41000	41000	0.05
				20160819	5000	46000	0.06
				20160916	-40000	6000	0.01
				20161007	-4800	1200	0
				20161111	30803	32003	0.04
				20161223	31970	63973	0.08
				20170113	59242	123215	0.15
				20170120	27458	150673	0.19
				20170127	4210	154883	0.19
				20170203	8355	163238	0.2
				20170210	39530	202768	0.25
				20170217	51580	254348	0.32
				20170224	-22182	232166	0.29
				20170303	8277	240443	0.3
		20170310	-7200	233243	0.29		
		20170317	147248	380491	0.47		
		20170324	89449	469940	0.58		
		468654	0.58	20170331	-1286	468654	0.58
6	Ashika Stock Broking Ltd. - Client A/C	38458	0.05	20160331			
				20160408	-1116	37342	0.05
				20160422	5000	42342	0.05
				20160429	-3950	38392	0.05
				20160506	-50	38342	0.05



TOURISM FINANCE CORPORATION OF INDIA LIMITED

S.No	Name	Shareholding				Cumulative Shareholding during the year (31-03-16 to 31-03-17)	
		No of Shares at the Beginning (31-03-16)/end of the Year (31-03-17)	% of total shares of the Company	Date	Increase / Decrease in Shareholding	Shares	% of total shares of the Company
				20160513	-275	38067	0.05
				20160520	5471	43538	0.05
				20160527	-1873	41665	0.05
				20160603	-12977	28688	0.04
				20160610	-24714	3974	0
				20160617	25600	29574	0.04
				20160624	-2950	26624	0.03
				20160630	-600	26024	0.03
				20160708	-24	26000	0.03
				20160729	12400	38400	0.05
				20160805	600	39000	0.05
				20160812	-2750	36250	0.04
				20160819	-11255	24995	0.03
				20160826	-5345	19650	0.02
				20160902	-5324	14326	0.02
				20160909	-5471	8855	0.01
				20160916	3630	12485	0.02
				20160923	-5100	7385	0.01
				20160930	28150	35535	0.04
				20161007	-8788	26747	0.03
				20161014	7642	34389	0.04
				20161021	-19649	14740	0.02
				20161028	-960	13780	0.02
				20161104	-950	12830	0.02
				20161111	2905	15735	0.02
				20161118	1275	17010	0.02
				20161125	-3350	13660	0.02
				20161202	-660	13000	0.02
				20161209	-3100	9900	0.01
				20161216	1900	11800	0.01
				20161223	-2000	9800	0.01
				20161231	-2000	7800	0.01
				20170106	350	8150	0.01
				20170113	550	8700	0.01
				20170120	-950	7750	0.01
				20170127	450	8200	0.01
				20170203	-400	7800	0.01
				20170210	16600	24400	0.03
				20170217	500	24900	0.03
				20170224	-400	24500	0.03
				20170228	200	24700	0.03
				20170303	50	24750	0.03
				20170317	-18250	6500	0.01
				20170324	137900	144400	0.18
		453650	0.56	20170331	309250	453650	0.56
7	Stock Hldg Corp of Ltd	0	0	20160331			
				20160429	17199	17199	0.02
				20160603	44341	61540	0.08
				20160610	28460	90000	0.11



TOURISM FINANCE CORPORATION OF INDIA LIMITED

S.No	Name	Shareholding				Cumulative Shareholding during the year (31-03-16 to 31-03-17)	
		No of Shares at the Beginning (31-03-16)/end of the Year (31-03-17)	% of total shares of the Company	Date	Increase / Decrease in Shareholding	Shares	% of total shares of the Company
				20160617	-53970	36030	0.04
				20160630	16470	52500	0.07
				20160701	22500	75000	0.09
				20160708	-32473	42527	0.05
				20160729	26473	69000	0.09
				20160805	-52000	17000	0.02
				20160819	43000	60000	0.07
				20160826	40000	100000	0.12
				20160902	-32000	68000	0.08
				20160909	32000	100000	0.12
				20160923	-79000	21000	0.03
				20160930	8130	29130	0.04
				20161007	-28880	250	0
				20170324	231750	232000	0.29
		412750	0.51	20170331	180750	412750	0.51
8	Pankaj Jawaharlal Razdan	0	0	20160331			
				20161014	200000	200000	0.25
				20161223	200000	400000	0.5
				20170203	-789	399211	0.49
				20170310	789	400000	0.5
		400000	0.5	20170331			
9	Nomura Singapore Limited	0	0	20160331			
		350000	0.43	20170331	350000	350000	0.43
10	Edelweiss Broking Limited	0	0	20160331			
				20160826	51564	51564	0.06
				20161007	60000	111564	0.14
				20161125	230000	341564	0.42
				20161223	-9038	332526	0.41
				20170310	-14344	318182	0.39
		318182	0.39	20170331			

(v). Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 1.4.2016		Cumulative Shareholding during the year 1.4.2016 to 31.3.2017/end of the year 31.3.2017	
		No. of shares	% of total shares of the year Company	No. of shares	% of total shares of the year Company
1	Shri Malay Mukherjee, Non-Executive Chairman (Resigned)	Nil	Nil	N.A	N.A
2.	Shri Sanjeev Kaushik, IAS Non- Executive Chairman	N.A	N.A	Nil	Nil
3	Shri S.P.Arora Managing, Director	Nil	Nil	Nil	Nil
4.	Shri A.K.Dogra	Nil	Nil	Nil	Nil
5	Shri Suman Billa	Nil	Nil	Nil	Nil
6	Shri Niraj Agarwal	Nil	Nil	Nil	Nil
7	Shri B.N.Nayak	Nil	Nil	Nil	Nil
8.	Shri Vivek Nair (Resigned)	Nil	Nil	N.A	N.A
9.	Shri S.Ravi	Nil	Nil	Nil	Nil
10.	Shri S.Sridhar	Nil	Nil	Nil	Nil



Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 1.4.2016		Cumulative Shareholding during the year 1.4.2016 to 31.3.2017/end of the year 31.3.2017	
		No. of shares	% of total shares of the year Company	No. of shares	% of total shares of the year Company
11	Shri Subrahmoneyan Chandra Sekhar	500	0.00	500	0.00
12.	Dr. K B Nagendra Murthy	Nil	Nil	Nil	Nil
13	Justice (Retd.) Ms. Rekha Sharma	Nil	Nil	Nil	Nil
14	Shri Rudhra Gangadharan I.A.S. (Retd.)	N.A	N.A	Nil	Nil
15	Shri Anoop Bali, CFO	Nil	Nil	Nil	Nil
16	Shri Sanjay Ahuja, CS	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in share holding during the year specifying the reasons for increase /decrease (e.g.allotment /transfer /bonus/sweat equity etc.)	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	159.74	781.50	NIL	941.24
ii) Interest due but not paid	NIL	NIL	NIL	-
iii) Interest accrued but not due	3.49	15.00	NIL	18.49
Total (i+ii+iii)	163.23	796.50		959.73
Change in Indebtedness during the financial year				
• Addition	17.00	NIL	NIL	
• Reduction	NIL	NIL	NIL	
Net Change	17.00	NIL	NIL	17.00
Indebtedness at the end of the financial year				
i) Principal Amount	176.74	781.50	NIL	958.24
ii) Interest due but not paid	NIL	NIL	NIL	--
iii) Interest accrued but not due	3.68	15.00	NIL	18.68
Total (i+ii+iii)	180.42	796.50		976.92

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director Whole-time Directors and/or Manager:

Particulars of Remuneration	(Amount in Rs.)
	Shri S.P. Arora Managing Director
1 Gross salary	
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act 1961	25,58,340
(b) Value of perquisites u/s 17(2) Income-tax Act 1961	4,600
(c) Profits in lieu of salary under section 17(3) of the Income-tax Act 1961	-
2 Stock Option	NIL
3 Sweat Equity	NIL
4 . Commission	NIL
- as % of profit	
- others specify...	
5 Others	
- PLI	-
- Medical	68425
- LFC	-
- Leave Encashment	-
- Household Reimb.	1,23,600
- Contribution to PF	2,59,048
Total (A)	30,14,013
Ceiling as per the Act	5% of the net profits of the Company calculated as per Section 198 of the Companies Act 2013



TOURISM FINANCE CORPORATION OF INDIA LIMITED

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors						Total Amount
	Justice (Retd.) Ms. Rekha Sharma	Shri Vivek Nair	Shri S. Ravi	Shri S. Sridhar	Shri S.C. Sekhar	Shri K.B Nagendra Murthy	
1. Independent Directors							
• Fee for attending board / committee meetings	57,500	46,000	2,06,800	1,49,500	1,49,350	2,06,850	8,16,000
• Commission	NIL	NIL	NIL	NIL	NIL		
• Others please specify	NIL	NIL	NIL	NIL	NIL		
Total (1)	57,500	46,000	2,06,800	1,49,500	1,49,350	2,06,850	8,16,000
2. Other Non-Executive Directors	ShriNiraj Agarwal (LIC of India)						
• Fee for attending board / committee meetings	2,18,350						
• Commission	NIL						
• Others please specify	NIL						
Total (2)	2,18,350						2,18,350
Total (B)=(1+2)	2,75,850	46,000	2,06,800	1,49,500	1,49,350	2,06,850	10,34,350
Total Managerial Remuneration							
Overall Ceiling as per the Act	1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri Anoop Bali	Shri Sanjay Ahuja	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,67,586	18,89,901	43,57,487
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	46,653	1,01,470	1,48,123
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	- Commission - as % of profit - others specify...	NIL	NIL	NIL
5	Others - PLI	-	-	-
	- Medical	53,432	64,873	1,18,305
	- LFC	8,81,655	4,28,000	13,09,655
	- Leave Encashment	1,06,120	74,619	1,80,739
	- Household Reimb.	88,000	66,000	1,54,000
	- Contribution to PF	2,52,862	1,94,363	4,47,225
	Total	38,96,308	28,19,226	67,15,534
	Ceiling as per the Act	Not Applicable		



D REMUNERATION TO TOP TEN EMPLOYEES

Sl. No.	Particulars of Remuneration											Total Amount
		Shri B.M.Gupta	Shri Anoop Bali	Ms. Charu Singh	Shri Rajiv Singh	Ms. Avantika Dhar	Ms. Manju Kapoor	N. Ramachandran	Shri Sanjay Ahuja	Shri R.K. Sharma	Shri Parveen Kumar Ahuja	
1	Gross salary											
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,23,666	24,67,586	21,66,819	18,31,346	19,05,921	19,78,437	18,58,541	18,89,901	16,90,553	16,29,653	1,99,42,423
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	86,863	46,653	95,261	91,123	90,261	97,099	2,78,438	1,01,470	28,885	88,450	10,04,503
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-						-			
2	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	. Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	- as % of profit											
	- others, specify...											
5	Others - PLI	-	-	-	-	-	-	-	-	-	-	-
	Medical	5,90,752	53,432	72,641	44,440	1,26,867	-	29,300	64,873	64,354	46,956	10,93,615
	- LFC	6,50,000	8,81,655	4,28,000	3,21,000	8,56,000	7,05,483	8,56,000	4,28,000	3,21,000	3,21,000	57,68,138
	- Leave Encashment	1,10,844	1,06,120	92,035	76,411	80,184	82,291	81,351	74,619		64,466	7,68,321
	- Household Reimb.	88,000	88,000	66,000	66,000	66,000	66,000	66,000	66,000	44,000	44,000	6,60,000
	- Contribution to PF	2,62,856	2,52,862	2,19,384	1,88,590	1,90,829	1,99,467	1,94,669	1,94,363	1,75,869	1,67,552	20,46,441
	Total (A)	43,12,981	38,96,308	31,40,140	28,19,226	31,28,777	33,16,062	33,64,299	28,19,226	23,24,661	23,62,077	3,12,83,441
	Ceiling as per the Act											

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made if any (give Details)
A.COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL



Form No. MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended 31st March 2017
 [Pursuant to section 204(1) of the Companies Act 2013 and rule
 No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT
For the financial year ended 31st March, 2017

To
The Members,
Tourism Finance Corporation of India Limited
4th Floor, Tower-1, NBCC, Plaza Pushp Vihar
Sector-5, Saket, New Delhi-110017

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

Based on our verification of the **Tourism Finance Corporation of India Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company, has during the audit period covering the financial year ended on **31st March, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Tourism Finance Corporation of India Limited for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)
- (vi) Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis the Company has complied with the following laws applicable specifically to the Company:



- (a) Recovery of Debts to Banks and Financial Institutions Act, 1993.
- (b) The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
- (c) RBI Act, 1934 and the Rule & Regulations made there under.

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

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

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

We further report that

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

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

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

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

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

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

For **ARUN KUMAR GUPTA & ASSOCIATES**
COMPANY SECRETARIES

(ARUN KUMAR GUPTA)
FCS: 5551
CP: 5086

Place: Delhi
Date: May 29, 2017



MANAGING DIRECTOR (MD) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, S. P. Arora, Managing Director (MD) and Anoop Bali, Chief Financial Officer (CFO) of Tourism Finance Corporation of India Limited, certify to the Board that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - 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. There are, to the best of our knowledge and belief, no transactions entered into by the company which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : New Delhi
Date : May 26, 2017

(Anoop Bali)
Chief Financial Officer

(S. P. Arora)
Managing Director

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

I hereby confirm that all Board Members and Senior Management Personnel have confirmed compliance with Code of Conduct for Directors and Senior Management Personnel for the Financial Year ended March 31, 2017.

Place : New Delhi
Date : May 29, 2017

S. P. Arora
Managing Director

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, 2017, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For ARUN KUMAR GUPTA & ASSOCIATES
COMPANY SECRETARIES

Place : Delhi
Date : 29.05.2017

(ARUN KUMAR GUPTA)
FCS: 5551
CP: 5086



APPENDIX TO DIRECTORS' REPORT

TYPE OF PROJECTWISE CLASSIFICATION OF FINANCIAL ASSISTANCE SANCTIONED

(Rs. In Lakh)

Purpose	New		Expansion		Ren./Eq. Finance		Exp/Reno/ Acq./Restr.		Total	
	No	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
5 STAR HOTEL	8	37000	0	0	0	0	2	1800	10	38800
	91	186475	17	18476	17	10408	39	78879	164	294238
4 STAR HOTEL	4	12200	1	2400	0	0	3	8750	8	23350
	54	87946	8	11857	6	2395	8	12990	76	115188
3 STAR HOTEL	4	8180	0	0	1	300	3	2800	8	11280
	271	178472	24	17387	14	5283	45	33357	354	234499
2 STAR HOTEL	0	0	0	0	0	0	0	0	0	0
	26	12568	1	388	1	90	2	323	30	13369
HERITAGE	0	0	0	0	0	0	0	0	0	0
	17	3764	3	1030	2	425	2	586	24	5805
UNCLASSIFIED	0	0	0	0	0	0	0	0	0	0
	2	1210	0	0	1	24	1	56	4	1290
AMUSEMENT PARK/ SHOPPING COMPLEX-CUM- ENT. CENTRE/WATER PARK/ MULTIPLEX/ACTIVITY CENTRE/ INTIGRATED/ ROPEWAY/CONVENTION CENTRE	1	4300	0	0	0	0	1	5500	2	9800
	35	35483	5	2490	0	0	5	6917	45	44890
RESTAURANT	0	0	0	0	1	400	0	0	1	400
	17	6174	3	1835	4	509	2	1805	26	10323
TOURIST CARS/ COACHES	0	0	1	5000	0	0	0	0	1	5000
	2	241	5	7826	2	600	1	5000	10	13667
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	5	8850	0	0	0	0	5	8850
	38	57835	8	12450	3	5273	27	70615	76	146173
INFRASTRUCTURE PROJECTS	0	0	0	0	0	0	0	0	0	0
	5	14680	1	3000	0	0	3	7270	9	24950
TOTAL	17	61680	7	16250	2	700	9	18850	35	97480
	560	586998	75	76739	51	26007	136	218298	822	908042

Normal - Current Year (2016-2017)

Highlighted - Cumulative



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Tourism Finance Corporation of India Limited ('the Company') which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and Notes to Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements

give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

- i) A sum of Rs. 1.61 crore has been written off during the year which pertains to old TDS Claim for the period 1994-95, 1995-96, 1996-97, 1997-98 and 2000-01 rejected by the Income Tax Department and the Company failed to follow up the same with the deductors; Refer Note No. 3 Reserve & Surplus Item No. F.
- ii) During the year, Company written off Rs. 19.12 Crore in the first year of irregularity in the NPA account of Rainbow Papers Ltd. The loan was secured by pledge of promoters' equity holding. There has been significant fall in the value thereof during the year and the company failed to recover Rs. 19.12 Crore due to short fall in the value of shares. The merits of decision of the Management in writing off Rs. 19.12 Crore could not be explained.

This report is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India In terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the Directors as on 31st March 2017, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2017, from being appointed as a Director in terms of Section 164(2) of the Act;
 - f) In our opinion the existing Internal Financial Controls system in place over financial reporting of the Company needs to be improved (Refer Annexure-B attached);
 - g) With respect to the other matters to be included in the Auditors report in accordance with the Rule 11 of the Company (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material



foreseeable losses, if any, on long-term contracts including derivative contracts;

- iii. there has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. the company has provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company-refer note 32 to the financial statement.
- h) The observations/comments of the Auditors on the Directions/Sub-Directions issued by the C&AG of India under Section 143(5) of the Companies Act 2013 are enclosed as Annexure-I & Annexure-II.

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

(Vishnu Gautam)
Partner
M.No.: 016257

Place: New Delhi
Date: May 29, 2017

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors Report to the members of **Tourism Finance Corporation of India Limited** on the financial statements for the year ended 31st March, 2017; we report that:

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has a regular system of physical verification of its fixed assets. Accordingly, the fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of assets.
- c) The title deeds of immovable properties are held in the company's name.
- (ii) The nature of the company's business/activities/transactions does not require it to hold inventories, hence, Clause 3(ii) of the Order are not applicable to the company
- (iii) The company has not granted any loan, secured, or unsecured, to the companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the provisions of Clause, 3(iii) (a), (b) & (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, internal control system having regard to size of the Company and the nature of its business for the purchase of fixed assets and for sale of services need improvement. The activities of the Company do not involve purchase of inventory and sale of goods. We have observed weaknesses in the internal control system during the course of audit;
- (v) There is no transaction during the year which attracts the provision of Section 185 & 186 of the Companies Act, 2013.
- (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 73 to 76 or any other relevant provisions of the Companies Act and rules framed there under are not applicable.
- (vii) According to information and explanation given to us, the Central Government has not prescribed the maintenance

of cost records under sub section (1) of Section 148 of the Companies Act, 2013 in respect of business carried out by the Company. Therefore, provisions of Clause 3(vi) of the Order are not applicable to the Company.

- (viii) (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Income tax, service tax, cess and any other statutory dues as applicable to it with appropriate authorities.
- (b) According to the Information and explanations given to us, dues of Income tax, which have not been deposited on account of a dispute as at 31st March, 2017 are as follows:

Name of Statute	Assessment Year	Amount (In `)	Forum where the dispute is pending
Income Tax	2008-09	1,38,51,455	ITAT Delhi
Income Tax	2009-10	3,12,56,600*	ITAT Delhi
Income Tax	2010-11	2,23,16,345	ITAT Delhi
Income Tax	2011-12	2,95,89,500	CIT(Appeals) Delhi IX
Income Tax	2013-14	1,34,18,600	CIT(Appeals) Delhi IX
Income Tax	2014-15	4,62,87,973	CIT(Appeals) Delhi IX

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

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

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

(Vishnu Gautam)

Place: New Delhi
Date: May 29, 2017

Partner
M.No.: 016257



“Annexure B” to the Independent Auditor’s Report on the Standalone Financial Statements of Tourism Finance Corporation of India Ltd.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’ section.

We have audited the internal financial controls over financial reporting of Tourism Finance Corporation of India Ltd (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company does not have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were not operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. The system of appraisal and monitoring of loans needs improvement in the existing system of internal financial controls of the company.

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

(Vishnu Gautam)

Partner

M.No.: 016257

Place: New Delhi
Date: May 29, 2017



Directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 for the year 2016-17

1. Whether the company has clear title/ lease deeds for freehold and leasehold respectively? If not please state the area of freehold and lease hold land for which title/ lease deeds are not available?

The Company owns 2 office premises situated at 4th Floor, NBCC Plaza, PushpVihar, Saket, New Delhi and at 2nd Floor, Core-III, SCOPE Minar, Laxmi Nagar, District Centre, Delhi and a non-functional hotel property at Mussoorie, Uttarakhand. During the year, the Company has sold Scope Minar office and other properties are registered in Company's name and the title deeds of these properties are available with the company.

2. Whether there are any cases of waiver/ write off of debtors/ loans/ interest etc., if yes, the reasons there for and amount involved.
- (a) During the year company has written off TDS to the tune of Rs.16183217 pertaining to year 1994-95 to 2000-01. The Income Tax Department did not allow credit of such TDS while processing tax Return for such period, due to interalia, mismatch of TDS. The company failed to provide reasonable cause to recover the same from parties who have deducted such TDS. This needs proper investigation to recover the loss and responsibility may be fixed.
- (b) During the year Company has written off Rs. 19.12 crore of Rainbow Papers Ltd. instead of disclosing the same as NPA due to short fall in the value of securities taken in the form of Equity Listed shares of the borrower company. Such write off in our opinion is done in haste without exploring action under the new law i.e. Insolvency and Backruptcy Code 2016. It could not be explained to us as why the company failed to obtain second charge on specified assets of the borrower from IFCI Ltd.(related party). The reason of losses are explained below.
- (i) Top Management Committee(TMC) Note for in-principle clearance was prepared promptly by then concerned DGM(Appraisal) on 15.11.2011 for Rs.50 crore for 4 years on the basis of email from Sh. V. Swaminathan(not a part of management of borrower) received on the same day i.e. 15.11.2011 whereas the request on behalf of borrower was for Rs.50 crore with repayment period of 3 years. The reason for the same could not be explained to us. The TMC Meeting giving in-principle clearance for appraisal was held on 17.11.2011 attended by all the four members.
- (ii) Initially borrower had offered security of agriculture land admeasuring 1,58,902 sq. mt. in village Suraj, Distt. Mehsana, Gujarat which was subsequently changed to pledge of 1,19,40,000 equity share of Rainbow Paper Ltd giving 2.5 times cover. The reason for the same was neither mentioned in the appraisal note nor explained to us. The Company could have insisted on mortgage of land in addition to pledge of shares as substantive security for the loan.
- (iii) The delay in sale of shares by the management and non-top-up of shares by the borrower could be attributed as reason for loss to the Company.
3. Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant (s) from the Govt. or other authorities.

Not applicable since the Company is engaged in the business of providing financial assistance to corporate. No gifts/grants were received from Government and other authorities.

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

(Vishnu Gautam)
Partner
M.No.: 016257

Place: New Delhi
Date: May 29, 2017

Annexure –II

Sub- Directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 for the year 2016-17

1. Employee Benefits

Independent verification may be made of information/inputs furnished to Actuary, viz number of employees, average salary, retirement age and assumptions made by the Actuary regarding discount rate, future cost increase, mortality rate, etc for arriving at the provision for liability of retirement benefits, viz gratuity, leave encashment, post-retirement medical benefits etc.

The input/data furnished to the Actuary for estimation of retirement benefits were verified and found correct. The Company has made provision for gratuity on the basis of valuation done by an Actuary and the provision for leave encashment was made as valuation done by an Actuary.

2. Investments

Whether the titles of ownership in respect of CGS/SGS/Bonds/Debentures etc. are available in physical/demat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts? If not, details may be stated.

The Company's investments in bonds/debenture are kept in demat form. The holding of these securities in demat accounts agrees with the number shown in the books of accounts.

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

(Vishnu Gautam)
Partner
M.No.: 016257

Place: New Delhi
Date: May 29, 2017



संख्या / No. : *MAB-D/CAD-I/24-1/17-18/126*

भारतीय लेखा तथा लेखापरीक्षा विभाग
कार्यालय महानिदेशक वाणिज्यिक लेखापरीक्षा
एवं पदेन सदस्य, लेखापरीक्षा बोर्ड-II,
नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL OF
COMMERCIAL AUDIT & EX-OFFICIO MEMBER,
AUDIT BOARD - II, NEW DELHI

दिनांक / DATE *24-8-2017*

To

The Deputy General Manager
Tourism Finance Corporation of India Limited,
4th Floor, Tower 1, NBCC Plaza, Pushp Vihar
New Delhi – 110017

Subject: Annual Accounts for the year 2016-17.

Sir,

Reference is invited to your letter number TFCI/Auditors/2017-4275 dated 27 July 2017 wherein the financial statements of the Company along with other documents were submitted to this Office. You are hereby informed that the financial statements submitted by the Company are being returned in original (as received). As the Company is no longer a Government Company, its financial statements are not required to be audited by the office of the Comptroller and Auditor General of India.

This issues with the approval of DGCA.

Yours faithfully

Pragati Singh
24/8
(Pragati Singh)
Dy. Director



BALANCE SHEET AS AT 31ST MARCH 2017

(In ₹)

Particulars	Note No.	As At 31 March, 2017		As At 31 March, 2016	
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	4,73,52,84,387	5,54,24,51,867	4,33,33,80,260	5,14,05,47,740
(2) Non-Current Liabilities					
(a) Long Term Borrowings	4	9,58,24,00,000		9,41,24,00,000	
(b) Deferred Tax Liability (Net)	5	26,67,49,354		26,30,39,998	
(c) Other Long Term Liabilities	6	-		49,89,600	
(d) Long Term Provisions	7	9,54,87,956	9,94,46,37,310	8,21,03,591	9,76,25,33,189
(3) Current Liabilities					
(a) Short Term Borrowings	8	91,72,49,424		55,25,91,422	
(b) Other Current Liabilities	9	35,46,09,150		34,90,71,701	
(c) Short Term Provisions	10	24,40,34,597	1,51,58,93,171	9,72,65,394	99,89,28,517
TOTAL			17,00,29,82,348		15,90,20,09,446
II. ASSETS					
(1) Non Current Assets					
(a) Fixed Assets	11				
(i) Tangible Assets		20,40,13,599		29,12,65,400	
(ii) Intangible Assets		-		-	
(b) Non Current Investments	12A	1,80,55,41,054		1,13,25,50,004	
(d) Long Term Loans and Advances	13	12,41,72,74,671	14,42,68,29,324	11,44,77,59,572	12,87,15,74,976
(2) Current Assets					
(a) Current Investments	12B	67,09,52,900		1,41,27,90,529	
(b) Cash and Cash Equivalents	14	11,01,25,458		5,28,64,137	
(c) Short term Loans & Advances	13	1,65,25,34,034		1,47,81,88,393	
(d) Other Current Assets	15	14,25,40,632	2,57,61,53,024	8,65,91,411	3,03,04,34,470
TOTAL			17,00,29,82,348		15,90,20,09,446

Significant Accounting Policies

The Notes No. 1 to 34 are integral part of these financial statements

For and on behalf of the Board

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

(S.Ravi)
Director

(S.P. Arora)
Managing Director

(Sanjeev Kaushik)
Chairman

(Vishnu Gautam)
Partner
M.No.016257

(Sanjay Ahuja)
Company Secretary

(Anoop Bali)
Chief Financial Officer

(B.M. Gupta)
Executive Director

Date : May 29, 2017
Place : New Delhi



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(In ₹)

Particulars	Note No.	Year Ended 31 March. 2017	Year Ended 31 March, 2016
Revenue			
I. Revenue from Operations	16	2,07,71,48,094	1,84,22,02,857
II. Other Income	17	82,66,971	1,42,51,757
III. Total Revenue (I+II)		2,08,54,15,065	1,85,64,54,614
IV. Expenses:			
Employee benefit expenses	18	13,55,87,618	6,69,36,404
Finance costs	19	90,80,95,084	90,12,73,410
Depreciation and Amortization expense	11	61,58,700	73,15,215
Other expenses	20	9,89,38,829	10,41,38,384
Provision/Write-off for Doubtful Debts and /or Diminution in Investments		20,00,00,000	2,00,00,000
Total Expenses		1,34,87,80,231	1,09,96,63,413
V. Profit before exceptional & extraordinary items and tax (III - IV)		73,66,34,834	75,67,91,201
VI. Exceptional items		23,35,59,834	-
VII. Profit before extraordinary items and tax (V - VI)		97,01,94,668	75,67,91,201
VIII. Extraordinary items		-	-
IX. Profit before tax (VII - VIII)		97,01,94,668	75,67,91,201
X. Tax expense:			
(1) Current Tax		26,22,00,000	18,07,00,000
(2) Deferred Tax		37,09,356	3,99,51,871
XI. Profit/(Loss) from the period from continuing operations (IX - X)		70,42,85,312	53,61,39,330
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (after tax) (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		70,42,85,312	53,61,39,330
XVI. Earning per equity share			
(1) Basic		8.73	6.64
(2) Diluted		8.73	6.64

Significant Accounting Policies

The Notes No. 1 to 34 are integral part of these financial statements

For and on behalf of the Board

As per our report of even date

For V C Gautam & Co.

(Chartered Accountants)

Firm Reg. No: 000365N

(Vishnu Gautam)

Partner

M.No.016257

Date : May 29, 2017

Place : New Delhi

(S.Ravi)
Director(Sanjay Ahuja)
Company Secretary(S.P. Arora)
Managing Director(Anoop Bali)
Chief Financial Officer(Sanjeev Kaushik)
Chairman(B.M. Gupta)
Executive Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017

(in ₹)

Particulars	Year Ended 31 March, 2017	Year Ended 31 March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	97,01,94,668	75,67,91,201
Adjustment for :		
Provision write off for Doubtful Debts/Investments	20,00,00,000	2,00,00,000
Depreciation & Amortisation	61,58,700	73,15,215
(Profit)/Loss On Sale of Assets	(23,35,59,834)	(2,732)
Operating Cash before working capital changes	94,27,93,534	78,41,03,684
Adjustment for :		
(Increase)/Decrease in Long Term Loans & Advances	(1,21,52,68,834)	(74,52,10,902)
(Increase)/Decrease in Short Term Loans & Advances	(17,43,45,641)	50,62,24,944
(Increase)/Decrease in Non Current Investment	(68,77,51,050)	3,59,69,275
(Increase)/Decrease in Current Investment	76,93,37,629	(72,15,63,338)
Increase/(Decrease) in Long Term Borrowings	17,00,00,000	(15,26,00,000)
Increase/(Decrease) in Short Term Borrowings	36,46,58,002	55,25,90,531
Increase/(Decrease) in Other Current Liabilities	55,37,449	11,51,27,809
Increase/(Decrease) in Long Term Provisions	99,84,365	(3,03,214)
Increase/(Decrease) in Short Term Provisions	3,01,90,671	33,23,228
(Increase)/Decrease in Other Current Assets	(5,59,49,221)	5,33,46,547
Cash Generated from Operation	15,41,97,304	43,00,08,564
Direct Tax Paid	(22,57,86,265)	(20,80,48,085)
Net Cash Flow from Operating Activities	(7,15,88,961)	22,19,60,479
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,47,065)	(32,58,075)
Sale of Fixed Assets	31,50,00,000	4,202
Net Cash used in Investing Activities	31,46,52,935	(32,53,873)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Share Capital and Reserves	(10,80,83,627)	(1,17,34,924)
Payment of Dividend and Dividend Distribution Tax	(7,77,19,026)	(17,46,33,058)
Net Cash used in Financing Activities	(18,58,02,653)	(18,63,67,982)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	5,72,61,321	3,23,38,624
Cash and Cash Equivalent at the Beginning of the Year	5,28,64,137	2,05,25,513
Cash and Cash Equivalent at the End of the Year	11,01,25,458	5,28,64,137
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash in hand	21,377	10,908
Balance with Banks		
- Current Accounts	80,21,453	3,48,83,627
- Deposit Accounts	8,40,62,099	-
- Unclaimed Dividend Accounts	1,80,20,529	1,79,69,602
Total Cash and Cash Equivalents (Note 14)	11,01,25,458	5,28,64,137

As per our report of even date
For V C Gautam & Co.
(Chartered Accountants)

Firm Reg. No: 000365N

(Vishnu Gautam)

Partner
M.No.016257

Date : May 29, 2017
Place : New Delhi

(S.Ravi)
Director

(Sanjay Ahuja)
Company Secretary

(S.P. Arora)
Managing Director

(Anoop Bali)
Chief Financial Officer

For and on behalf of the Board

(Sanjeev Kaushik)
Chairman

(B.M. Gupta)
Executive Director

**NOTE No. 1****SIGNIFICANT ACCOUNTING POLICIES AS ON 31 March 2017****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, 2013 and in compliance with the applicable accounting standards referred to in section 133 of the said Act. The accounting policies except stated otherwise, have been consistently applied by the Company. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

2. Revenue Recognition:

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

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

3. Fixed Assets and Depreciation:

- a) Fixed Assets are shown at historical cost less accumulated depreciation.
- b) Depreciation on Assets is provided as per method and rates prescribed under Schedule II of the Companies Act, 2013 and amortised over the useful life of the Asset. However in case of Household Furnishing provided to officers as per the extant policy, the cost of the same has been amortised over a period of 5 years or residual service of the officer whichever is less.

- c) Intangible assets are amortised over the expected duration of benefit or 10 years, whichever is lower. Accordingly computer software is amortised over a period of 5 years

4. Investments:

- a) The Company acquires shares and securities in the normal course of its business and accordingly purchases and sales made during the year are not required to be disclosed under Schedule III Part I of the Companies Act 2013. Transaction details of Investments in units, that are not investment in body corporate, are also not shown separately.
- b) The cost of acquisition of investments is arrived at after adjusting front-end fee/underwriting commission received on subscription/devolvement.
- 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 133 of the Companies Act, 2013 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) All credit exposure are classified into performing and non-performing assets as per RBI guidelines applicable to Non-Banking Financial Companies (NBFCs).
- b) General provision for standard assets and specific provision for sub-standard, doubtful 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 up to 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) where contribution is deposited based on intimation received from LIC. Expense for the year is determined on the basis of actuarial valuation of the company's year end obligation in this regard and the value of year end assets of 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 Statement of Profit & Loss.

c) Leave Encashment:

The Provision for leave encashment is being made on actuarial valuation basis.

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. Lease:

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

9. Earning Per Share:

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

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

10. Provisions, Contingent Liabilities and Contingent Assets:

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

11. Cash Flow:

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

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



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2017		As At 31 March, 2016	
2	SHARE CAPITAL				
	AUTHORISED SHARE CAPITAL				
	25,00,00,000 Equity Shares (P. Y. 25,00,00,000) of ₹10/- each		2,50,00,00,000		2,50,00,00,000
	25,00,00,000 Cumulative Redeemable Preference Shares (P. Y. 25,00,00,000) of ₹10/- each		2,50,00,00,000		2,50,00,00,000
	TOTAL		5,00,00,00,000		5,00,00,00,000
	ISSUED SUBSCRIBED AND PAID UP SHARE CAPITAL				
	8,07,16,748 Equity Shares (P.Y. 8,07,16,748) of ₹10/- each Fully Paid Up		80,71,67,480		80,71,67,480
	TOTAL		80,71,67,480		80,71,67,480
	Terms / rights attached to equity shares				
	The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share				
	Reconciliation of Issued Share Capital	No of Shares	Amount	No of Shares	Amount
	Equity shares outstanding at the 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.	2,36,99,684	29.36%	3,15,58,613	39.10%	
(b) Life Insurance Corporation of India	54,13,180	6.71%	54,13,180	6.71%	
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		61,17,33,246		62,34,68,170
	Add: Current Year Transfer		-		-
	Less: Utilised during the year		-		1,17,34,924
	Balance at the end of the year		61,17,33,246		61,17,33,246
	(c) Special Reserves				
	(i) Under Section 36(1)(viii) of the Income Tax Act 1961				
	Balance at the beginning of the year		1,52,26,33,000		1,38,74,33,000
Add: Current Year Transfer		17,51,00,000		13,52,00,000	
Less: Written Back in Current period		-		-	
Balance at the end of the year		1,69,77,33,000		1,52,26,33,000	



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2017	As At 31 March, 2016
3	(ii) Under Section 45 IC of RBI Act, 1934		
	Balance at the beginning of the year	71,15,92,000	60,43,64,000
	Add: Current Year Transfer	14,09,00,000	10,72,28,000
	Less: Written Back in Current period	-	-
	Balance at the end of the year	85,24,92,000	71,15,92,000
	(iii) Under Section 36(1)(vii)(c) of the Income Tax Act, 1961		
	Balance at the beginning of the year	9,19,00,410	6,38,00,410
	Add: Current Year Transfer	-	2,81,00,000
	Less: Utilisation in Current period	9,19,00,410	-
	Balance at the end of the year	-	9,19,00,410
	(d) General Reserve		
	Balance at the beginning of the year	1,32,20,04,446	1,22,20,04,446
	Add: Current Year Transfer	15,00,00,000	10,00,00,000
	Less: Written Back in Current period	-	-
	Balance at the end of the year	1,47,20,04,446	1,32,20,04,446
	(e) Surplus in Profit and Loss Statement		
	Balance at the beginning of the year	7,23,62,158	8,16,18,633
	Add: Current Year Transfer	70,42,85,312	53,61,39,330
	Less: Provision u/s 36(1)(vii)(c) of the Income Tax Act 1961	-	2,81,00,000
	Less: Special reserve u/s 36(1)(viii) of the Income Tax Act 1961	17,51,00,000	13,52,00,000
	Less: Special reserve u/s 45 IC of the RBI Act, 1934	14,09,00,000	10,72,28,000
Less: General reserve	15,00,00,000	10,00,00,000	
Less: Proposed Dividend	16,14,33,496	14,52,90,147	
Less: Provision for Proposed Dividend Tax	3,28,64,062	2,95,77,658	
Less: TDS Credit Rejection for earlier years	1,61,83,217	-	
Balance at the end of the year	10,01,66,695	7,23,62,158	
GRAND TOTAL	4,73,52,84,387	4,33,33,80,260	



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2017	As At 31 March, 2016
4	LONG TERM BORROWINGS		
	a) Bonds		
	- Secured		
	(Secured By Hypothecation of Book Debts/future receivables)		
	8.81% Bonds (2025) (Series MB 2015-01)	1,59,74,00,000	1,59,74,00,000
	15974 Nos of 8.81% Bonds of ₹1,00,000/- each		
	Redeemable at par on 09 November, 2025		
	TOTAL	<u>1,59,74,00,000</u>	<u>1,59,74,00,000</u>
	- Un Secured		
	9.65% Bonds (2033) (Series MB XLVI-C)	75,00,00,000	75,00,00,000
	750 Nos of 9.65% Bonds of ₹10,00,000/- each		
	Redeemable at par on 25 February, 2033		
	9.60% Bonds (2028) (Series MB XLVI-B)	1,00,00,00,000	1,00,00,00,000
	1000 Nos of 9.60% Bonds of ₹10,00,000/- each		
	Redeemable at par on 25 February, 2028		
	9.50% Bonds (2023) (Series MB XLVI-A)	50,00,00,000	50,00,00,000
	500 Nos of 9.50% Bonds of ₹10,00,000/- each		
	Redeemable at par on 25 February, 2023		
	9.95% Bonds (2022) (Series MB XLV)	75,00,00,000	75,00,00,000
	750 Nos of 9.95% Bonds of ₹10,00,000/- each		
	Redeemable at par on 21 August, 2022		
	9.95% Bonds (2022) (Series MB XLIV)	75,00,00,000	75,00,00,000
	750 Nos of 9.95% Bonds of ₹10,00,000/- each		
	Redeemable at par on 01 July, 2022		
	9.65% Bonds (2022) (Series MB XLIII)	56,50,00,000	56,50,00,000
	565 Nos of 9.65% Bonds of ₹10,00,000/- each		
	Redeemable at par on 19 April, 2022		
	With call option after 7 years (i.e 19 March, 2019)		
	10.20% Bonds (2021) (Series MB XLII)	1,00,00,00,000	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	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		
	TOTAL	<u>6,81,50,00,000</u>	<u>6,81,50,00,000</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>9,41,24,00,000</u>	<u>9,41,24,00,000</u>
	b) Term Loans from Banks		
	(Secured By Hypothecation of Book Debts/future receivables)		
	- State Bank of India	17,00,00,000	-
	9.30% p.a. repayable by 31.03.2021		
	(12 Quarterly installments starting from 30.06.2018 and ending on 31.03.2021)		
	TOTAL	<u>17,00,00,000</u>	<u>-</u>
	GRAND TOTAL	<u>9,58,24,00,000</u>	<u>9,41,24,00,000</u>



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2017		As At 31 March, 2016	
5	DEFERRED TAX ASSETS/(LIABILITY) NET				
	Deferred tax asset due to:				
	a) Provision for doubtful debts and advances		12,07,62,118		9,09,28,503
	b) Provision for diminution in value of investments		1,75,92,166		2,09,43,051
	c) Provision for employees benefit expenses		1,47,49,447		-
	Deferred tax liability due to:				
	a) Depreciation		(2,30,77,157)		(2,41,90,566)
b) Provision u/s 36(1)(viii) of Income Tax Act 1961		(39,67,75,928)		(35,07,20,986)	
	TOTAL		(26,67,49,354)		(26,30,39,998)
6	OTHER LONG TERM LIABILITIES				
	Security Deposits Received		-		49,89,600
	TOTAL		-		49,89,600
7	LONG TERM PROVISIONS				
	Provision for Employee Benefits		3,40,87,956		2,41,03,591
	Contingent Provision Against Standard Assets		6,14,00,000		5,80,00,000
	Balance at the beginning of the year	5,80,00,000		7,16,00,000	
	Add: Current Year Transfer	34,00,000		-	
	Less: Written Back in Current period	-		1,36,00,000	
	Balance at the end of the year	6,14,00,000		5,80,00,000	
	TOTAL		9,54,87,956		8,21,03,591
8	SHORT TERM BORROWINGS				
	CC A/c with State Bank of India		11,72,49,424		55,25,91,422
	WCDL from State Bank of India		80,00,00,000		-
			91,72,49,424		55,25,91,422
9	OTHER CURRENT LIABILITIES				
	Interest Accrued but not due on Borrowings		18,68,24,711		18,49,58,348
	Unclaimed Dividend		1,80,20,529		1,79,69,602
	Advance received from customers		48,46,995		33,63,041
	Statutory Dues		45,59,573		31,30,710
	Refundable Bid Money Against Sale of Office Space		7,97,75,000		7,97,75,000
	Other Payables		7,07,342		-
	Amount Received Pending Adjustment		5,98,75,000		5,98,75,000
	TOTAL		35,46,09,150		34,90,71,701
10	SHORT TERM PROVISIONS				
	Provision for Employee Benefits		4,66,59,056		1,15,91,965
	Other Provisions				
	- Proposed Dividend (including dividend distribution tax)		19,42,97,558		7,77,19,026
	- Provision for Expenses		30,77,983		79,54,403
	TOTAL		24,40,34,597		9,72,65,394



₹(In ₹)

NOTE NO. 11
FIXED ASSETS AS AT 31ST MARCH 2017

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at 01.04.2016	Addition	Deletions	As at 31.03.2017	As at 01.04.2016	Addition	Deletions	As at 31.03.2017	As at 31.03.2016
Tangible Assets									
Leased Assets									
Plant & Machinery	1,30,33,143	-	-	1,30,33,143	1,30,33,143	-	-	1,30,33,143	-
Furniture & Fixture	31,08,500	-	-	31,08,500	31,08,500	-	-	31,08,500	-
Vehicles	69,66,857	-	-	69,66,857	69,66,857	-	-	69,66,857	-
Sub Total A	2,31,08,500	-	-	2,31,08,500	2,31,08,500	-	-	2,31,08,500	-
Other Assets									
Land (Mussorie)	1,33,84,350	-	-	1,33,84,350	-	-	-	1,33,84,350	1,33,84,350
Building									
- Building (Mussorie)	4,48,46,990	-	-	4,48,46,990	44,51,228	6,81,311	-	51,32,539	3,97,14,451
- Building (NBCC Plaza)	20,62,01,760	-	-	20,62,01,760	5,96,74,326	26,19,564	-	6,22,93,890	14,39,07,870
- Building (SCOPE Minar)	13,60,28,985	-	13,60,28,985	-	5,42,03,925	3,84,894	5,45,88,819	-	8,18,25,060
Furniture & Fixture	1,32,91,853	-	-	1,32,91,853	98,87,217	10,04,624	-	1,08,91,841	24,00,012
Office Equipment	54,42,236	1,46,473	-	55,88,709	49,96,636	83,280	-	50,79,916	5,08,793
Electricals	58,15,352	93,037	-	59,08,389	31,91,916	9,44,137	-	41,36,053	17,72,336
Computers	1,23,45,028	1,07,555	-	1,24,52,583	1,14,60,140	1,85,396	-	1,16,45,536	8,07,047
Vehicles	21,51,525	-	-	21,51,525	3,77,291	2,55,494	-	6,32,785	15,18,740
Sub Total B	43,95,08,079	3,47,065	13,60,28,985	30,38,26,159	14,82,42,679	61,58,700	5,45,88,819	9,98,12,560	20,40,13,599
Total C= (A+B)	46,26,16,579	3,47,065	13,60,28,985	32,69,34,659	17,13,51,179	61,58,700	5,45,88,819	12,29,21,060	20,40,13,599
Intangible Assets									
Computer Software	28,08,775	-	-	28,08,775	28,08,775	-	-	28,08,775	-
Sub Total D	28,08,775	-	-	28,08,775	28,08,775	-	-	28,08,775	-
Grand Total C+D	46,54,25,354	3,47,065	13,60,28,985	32,97,43,434	17,41,59,954	61,58,700	5,45,88,819	12,57,29,835	20,40,13,599
As on 31.03.2016	46,21,96,683	32,58,075	29,404	46,54,25,354	16,68,72,673	73,15,215	27,934	17,41,59,954	29,12,65,400



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2017			As At 31 March, 2016		
		Face Value	Nos	Amount	Face Value	Nos	Amount
12A	NON CURRENT INVESTMENTS						
	Long Term Investments						
	(Quoted)						
	a) Investments in Bonds/Debentures						
	8.76% IFCI Ltd - Tax Fee Bonds - Series I	1000000	500	50,00,50,000	1000000	500	50,00,50,000
	9.40% IFCI Ltd - Bonds (NCD) - Series III	1000	150000	15,00,00,000	1000	150000	15,00,00,000
	10.49% Vijaya Bank Series(IV) Perpetual Bonds	1000000	250	25,27,61,250	-	-	-
	11.25% Syndicate Bank Perpetual Bonds	1000000	250	25,94,04,200	-	-	-
	10.99% Andhra Bank Series(III) Perpetual Bonds	1000000	200	20,54,85,600	-	-	-
	TOTAL			1,36,77,01,050			65,00,50,000
	Non-Trade - Unquoted						
	b) Investments in Equity Instruments						
	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 & Reconstruction Enterprises Ltd.	10	2040000	2,04,00,000	10	2040000	2,04,00,000
	Shell Inn International Limited	10	11700000	11,70,00,000	10	13000000	13,00,00,000
	TOTAL			17,36,25,080			18,66,25,080
	c) Investments in Security Receipts / Debentures						
	Assets Care & Reconstruction Enterprise Ltd (Security Receipts - Kamath Hotels Ltd)	100000	2952	29,52,00,000	100000	3121	31,21,00,000
	Rohini Hotels (Madras) Pvt. Ltd.	100000	500	1	100000	500	1
	0% Optionally Convertible Secured Debentures						
	TOTAL			29,52,00,001			31,21,00,001
	d) Investment in Preference Shares						
	IFCI Ltd. (0.10% Redeemable Cumulative Preference Shares)	10	2000000	2,00,00,000	10	2000000	2,00,00,000
	TOTAL			2,00,00,000			2,00,00,001
	GRAND TOTAL (a+b+c+d)			1,85,65,26,131			1,16,87,75,081
	Less: Provision for Diminution in Value of investments			5,09,85,077			3,62,25,077
	Net Long Term Investments			1,80,55,41,054			1,13,25,50,004
	Aggregate Amount of Quoted Investments			1,36,77,01,050			65,00,50,000
	Aggregate Amount of Unquoted Investments			48,88,25,081			51,87,25,081



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2017			As At 31 March, 2016		
		Face Value	Nos	Amount	Face Value	Nos	Amount
12B	CURRENT INVESTMENTS						
	Quoted						
	a Equity Shares						
	Viceroy Hotels Ltd.	10	2,00,000	2,00,00,000	10	2,00,000	2,00,00,000
	Punjab Woolcombers Ltd.	10	2500	21,500	10	2,500	21,500
	Reliance Power Ltd.	-	-	-	10	12,275	34,52,400
	IFCI Ltd.	-	-	-	10	50,54,414	14,80,66,914
	b Units of Liquid Mutual Funds (Debt oriented Schemes)			-			48,93,015
	c Investments in Bonds/Debentures						
	7.83% Indian Railways Finance Corporation Ltd 2027	1000000	196	19,94,88,800	-	-	-
	9.30% Dewan Housing Finance Corporation Ltd 2026	10000	20000	1,97,20,000	-	-	-
	7.37% NTPC Ltd.2031	1000000	250	25,01,25,000	-	-	-
	7.18% Power Finance Corporation Ltd 2027	1000000	200	19,74,97,600	-	-	-
	Un-Quoted						
	d Certificate of Deposit						
	Indian Overseas Bank	-	-	-	100000	8000	78,65,59,200
	Syndicate Bank	-	-	-	100000	5000	49,31,97,500
	Total Current Investments (a+b+c)			68,68,52,900			1,45,61,90,529
	Less: Provision for Diminution in Value of investments			1,59,00,000			4,34,00,000
	Net Current Investments			67,09,52,900			1,41,27,90,529
	Aggregate Amount of Quoted Investments			68,68,52,900			17,64,33,829
	Aggregate Market Value of Quoted Investments			67,09,61,400			13,30,54,041
	Total Investments (12A + 12B)			2,54,33,79,031			2,62,49,65,610
	Less: Provision for Diminution in value of investments			6,68,85,077			7,96,25,077
	Total Net Investments			2,47,64,93,954			2,54,53,40,533



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2017		As At 31 March, 2016	
		Non Current Portion	Current Maturities	Non Current Portion	Current Maturities
13	LONG TERM LOANS & ADVANCES Secured (Considered Good)				
	Loan to Companies (Secured by Mortgage/Hypothecation of Assets)	12,56,95,11,935	1,64,08,85,090	11,45,05,09,067	1,46,85,85,542
	Less: Provision for Diminution in NPV on Restructured Loans	1,67,00,000	-	-	-
	Less: Provision for Doubtful Loans	38,10,35,238	-	28,77,08,413	-
	TOTAL	12,17,17,76,697	1,64,08,85,090	11,16,28,00,654	1,46,85,85,542
	Loans to Employees	5,50,12,376	51,86,065	5,80,90,229	51,11,928
	Unsecured (Considered Good)				
	Security Deposits	5,57,593	-	4,59,593	-
	Loans to Employees	4,26,051	24,93,400	4,93,407	23,97,500
	Advance to Employees	-	10,000	-	2,50,000
	Other receivables & Advances	-	23,63,223	-	18,43,423
	Advance for Capital Expenditure	-	15,96,256	-	-
	Advance Income Tax and TDS (Net of Provisions)	18,95,01,954	-	22,59,15,689	-
TOTAL	12,41,72,74,671	1,65,25,34,034	11,44,77,59,572	1,47,81,88,393	
13A	Letter of Comfort Issued in favour of Axis Bank against Undisbursed Term Loan of Rs.2.00 Crore to Borrower (P.Y. Rs.2.00 Crore)				
14	CASH AND CASH EQUIVALENTS				
	a) Cash and cash equivalents				
	- Balances with Banks		80,21,453		3,48,83,627
	- Current Accounts		8,40,62,099		-
	- Deposit accounts		21,377		10,908
	- Cash In Hand				
	b) Other Bank Balances				
- Unclaimed Dividend Accounts		1,80,20,529		1,79,69,602	
TOTAL		11,01,25,458		5,28,64,137	
15	OTHER CURRENT ASSETS				
	Interest accrued on Investments		4,63,76,944		23,55,816
	Interest & Other Charges accrued and due on loans and advances		2,87,14,985		2,47,58,470
	Interest accrued but not due on loans and advances		6,74,48,703		5,94,77,125
	TOTAL		14,25,40,632		8,65,91,411



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	Year Ended 31 March, 2017	Year Ended 31 March, 2016
16	REVENUE FROM OPERATIONS		
	Interest on Loans & Deposits	1,86,54,07,410	1,69,44,14,318
	Profit on Investment in Debt-Based Mutual funds	7,84,16,571	5,68,77,275
	Other Fees & Charges	9,59,78,803	5,66,70,932
	Dividend Received	7,88,603	76,13,896
	Profit on Sale of Shares	1,33,67,161	2,41,96,391
	Profit on Sale of Bonds/Debentures	1,69,47,915	82,726
	Other Financial Services		
	Consultancy Income	62,41,631	23,47,319
	TOTAL	2,07,71,48,094	1,84,22,02,857
17	OTHER INCOME		
	Interest on Loans to Staff	26,23,814	29,68,020
	Rental Income	24,94,800	99,79,200
	Miscellaneous Income	31,48,357	13,01,805
	Profit on Sale of Assets	-	2,732
	TOTAL	82,66,971	1,42,51,757
18	EMPLOYEE BENEFIT EXPENSES		
	Salaries & Allowances	7,28,43,640	603,07,676
	Contribution to Provident Fund	48,30,442	43,98,986
	Contribution for Gratuity	47,85,375	9,43,243
	Contribution for Leave Encashment	1,73,67,237	1,79,213
	Staff Welfare Expenses & Others	7,60,924	11,07,286
	Provision for Arrear of Salaries	3,50,00,000	-
	TOTAL	13,55,87,618	6,69,36,404
19	FINANCE COSTS		
	Interest on Borrowings	90,80,95,084	90,12,73,410
	TOTAL	90,80,95,084	90,12,73,410
20	OTHER EXPENSES		
	Rent Rates & Taxes	4,09,87,684	4,60,34,884
	Office Upkeep & Maintenance	80,98,167	1,22,37,075
	Travelling and Conveyance	84,25,203	72,70,115
	Printing and Stationery	6,55,681	7,50,558
	Postage Telephone and Telex	23,74,329	25,00,767
	Sitting Fee (Directors)	10,34,350	12,13,678
	Membership and Subscription	1,64,834	1,09,748
	Auditors Remuneration		
	- Audit Fee	5,98,000	4,58,000
	- Reimbursement of Expenses	1,15,000	1,14,500
		7,13,000	5,72,500



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	Year Ended 31 March, 2017	Year Ended 31 March, 2016
20	Insurance Expenses	1,46,570	3,11,095
Contd..	Listing Fee	10,51,234	6,34,941
	Legal and Professional Charges	69,19,779	34,84,955
	Rating Fees	40,78,885	52,06,488
	Advertisement & Publicity	44,49,157	42,79,642
	Board Meeting Expenses	19,70,717	11,56,279
	Registrar & Transfer Agent Fee	4,98,233	6,39,616
	AGM Expenses	12,79,770	9,17,435
	Bank Charges	16,320	53,977
	Books & Periodicals	5,51,140	4,58,363
	Training Expenses	1,750	40,495
	Entertainment Expenses	2,13,987	6,000
	Spending on Corporate Social Responsibility (CSR) Activities	1,50,60,000	1,59,00,000
	Miscellaneous Expenses	2,48,039	3,59,773
	TOTAL	9,89,38,829	10,41,38,384

21	Contingent liabilities not provided for where order of CIT(Appeals)/ITAT, in similar matters, in previous years, are in favour of the TFCI		
	Income Tax	15,67,20,473	11,65,88,382
22	Expenditure in Foreign Currency	NIL	NIL
23	The Company is engaged mainly in the business of financing. Since all activities are related to the main activity there are no reportable segments as per Accounting Standard Segment Reporting (AS-17)		
24	Related Party Disclosure		
	As per Accounting Standard – 18 the Company’s related parties and transactions are disclosed below :		
	A. Related Parties Transactions		
	1. IFCI Limited (Investing Company) - Associate		Amount in `
	Transaction Description	Year Ended 31.03.2017	Year Ended 31.03.2016
	Transaction During period		
	- Dividend Paid	2,22,75,646	5,68,05,503
	- Dividend received	20,000	76,01,621
	- Rent IT Support Services & Other Expenses Paid	4,15,11,112	4,65,69,238
	- Interest on Bonds Received	5,78,22,951	5,79,77,260
	Outstanding Balances		
	- Investment in Equity Shares of IFCI Ltd.	-	14,80,66,914
	- Investment in Preference Shares of IFCI Ltd.	2,00,00,000	2,00,00,000
	- Investment in 8.76% Tax Free Bonds of IFCI Ltd.	50,00,50,000	50,00,50,000
	- Investment in 9.40% Bonds of IFCI Ltd.	15,00,00,000	15,00,00,000

Contd...



B. Key Managerial Personnel & Managerial Remuneration			
Note No.	Name & Relation	Year Ended 31.03.2017	Year Ended 31.03.2016
24 Contd..	1. Sh. S. P. Arora- Managing Director		
	- Salary	25,58,340	6,737
	- Contribution to PF	2,59,048	681
	- Perquisites	1,96,625	-
	Total	30,14,013	7,418*
	2. Sh. Anoop Bali- Chief Financial Officer		
	- Salary	24,67,586	23,04,266
	- Contribution to PF	2,52,862	2,39,021
	- Perquisites	11,75,860	7,50,355
	Total	38,96,308	32,93,642
25	3. Sh. Sanjay Ahuja - Company Secretary		
	- Salary	18,89,901	16,78,082
	- Contribution to PF	1,94,363	1,75,966
	- Perquisites	7,34,962	4,95,136
	Total	28,19,226	23,49,184
	* Salary for 1 day in FY 2015-16		
25	Earning per Equity Share		
	Particulars	Year Ended 31.3.2017	Year Ended 31.3.2016
	Net Profit Attributable to Equity Shareholders	70,42,85,312	53,61,39,330
	Weighted Average No. of Equity Shares (No's)	8,07,16,748	8,07,16,748
	Basic Earning Per share of Face Value `10/- each	8.73	6.64
	Diluted Earning Per share of Face Value `10/- each	8.73	6.64
26	Capital Commitments: ` 21,28,513/- (Previous Year NIL)		
27	Previous year figures have been regrouped / rearranged wherever considered necessary to make them comparable with the current year's figures.		
28	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, 2017. 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.		
29	Disclosure required in Accordance with AS-19 - Leases		
	A. Assets taken on operating lease:		
	1. The Company has taken Office Premises on non-cancellable operating lease. Minimum lease payments of `4,12,55,787/- (P.Y. `4,63,29,203/-) are charged to Statement of Profit & Loss during the year.		
	2. Future commitments in respect of minimum lease rentals payable in respect of aforesaid lease entered by the Company are as follows:		
	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
	a) Not later than one year	1,19,070	16,01,695
	b) Later than one year but not later than five years	-	-
	c) Later than five years	-	-
	B. Assets given on operating lease:		
	Future minimum lease rent receivable by the Company in respect of non-cancellable operating lease for office premises entered by the Company are as follows:		
	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
	a) Not later than one year	-	99,79,200
	b) Later than one year but not later than five years	-	74,84,400
	c) Later than five years	-	-



(In `)

Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
	Gratuity (Funded)	Leave Encashment (Un-Funded)	Gratuity (Funded)	Leave Encashment (Un-Funded)
I Recognised in the Profit & Loss A/c				
1 Current Service Cost	16,10,695	15,09,908	13,57,650	-
2 Interest Cost	18,87,493	13,67,151	18,11,017	-
3 Expected Return on Plan Asset	(1,40,498)	-	(1,14,531)	-
4 Past Service Cost	-	-	-	-
5 Actuarial (gain)/loss recognized	4,08,434	10,08,923	(22,00,828)	-
6 Expense recognized in Statement of Profit & Loss A/c	37,66,124	38,85,982	8,53,308	-
7 Provision/Payment for previous years recognised in P&L A/c	10,19,251	1,34,81,255	-	-
II Net Asset/(Liability) recognized in Balance Sheet				
1 Present Value of Obligation at the year end	2,81,12,859	2,09,75,368	2,35,93,659	-
2 Fair Value on Plan Assets	1,39,15,062	-	16,21,450	-
3 Fund Status (Surplus/Deficit)	(1,41,97,797)	(2,09,75,368)	(2,19,72,209)	-
4 Excess of Actual Over Estimate	6,12,578	-	(11,894)	-
5 Unrecognised Past Service Cost	-	-	-	-
6 Net Asset/(Liability) recognized in Balance Sheet	(1,41,97,797)	(2,09,75,368)	(2,19,72,209)	-
III Change in Present value of Obligations during the year				
1 Present Value of Obligation at the beginning of the year	2,35,93,659	1,70,89,386	2,26,37,714	-
2 Current Service Cost	16,10,695	15,09,908	13,57,650	-
3 Interest Cost	18,87,493	13,67,151	18,11,017	-
4 Actuarial (gain)/loss on Obligations	10,21,012	10,08,923	(22,12,722)	-
5 Benefits Paid	-	-	-	-
6 Present Value of Obligation at the end of the year	2,81,12,859	2,09,75,368	2,35,93,659	-
IV Change in Fair Value of Assets during the year				
1 Fair Value of Plan Asset at the beginning of the year	16,52,918	-	13,47,425	-
2 Expected Return on Plan Asset	1,40,498	-	1,14,531	-
3 Actuarial gain/(loss) on Plan Asset	6,12,578	-	(11,894)	-
4 Contributions	1,15,09,068	-	1,71,388	-
5 Benefits Paid	0	-	0	-
6 Fair Value of Plan Asset at the end of the year	1,39,15,062	-	16,21,450	-
V Actuarial Assumptions				
1 Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
2 Discount Rate	8%	8%	8%	8%
3 Salary Escalation	7%	7%	7%	7%
VI Bifurcation of Present Value of Obligation at the end of year as per Schedule III to the Companies Act				
1 Current Liability	20,73,805	25,85,251	14,42,465	16,45,237
2 Non Current Liability	2,60,39,054	1,83,90,117	2,21,51,194	1,54,44,149
Total Present Value of Obligation at the end of the year	2,81,12,859	2,09,75,368	4,45,69,027	1,70,89,386
Leave encashment liability has been provided on actuarial valuation basis for the first time as on 31 March 2017. Prior to this leave encashment benefits were treated as short term compensated absences based on average encashable salary of the employees.				

31	The additional information required to be disclosed vide RBI norms - as certified by the management			
	1. Rating Assigned By Credit Rating Agencies for the Bonds/Borrowings of TFCI			
	- Credit Analysis & Research Ltd (CARE)	CARE A+	(reaffirmed vide letter dated 29.09.2016)	
	- Brickworks Ratings (India) Pvt. Ltd.	BWR AA-	(reaffirmed Vide letter dated 26.04.2017)	
	- Smera Ratings Ltd.	SMERA AA-	(reaffirmed Vide letter dated 19.10.2016)	
	- No Migration of Ratings took place during the year			
	2. No Penalty is levied by any regulator during the year.			
	3. Capital			
	i) CRAR (%)		39.08%	37.82%
	ii) CRAR - Tier I Capital (%)		32.69%	30.91%
	iii) CRAR - Tier II Capital (%)		6.39%	6.91%
	iv) Amount of Subordinate debt raised as Tier-II Capital		1,00,00,00,000	1,00,00,00,000
	v) Amount raised by issue of perpetual debt instruments		Nil	Nil



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In `)

NOTE NO	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
31	4. Investments		
Contd..	- TFCI do not hold any Investments Outside India		
	1) Value of Investments		
	(a) Gross Value of Investments	2,54,33,79,031	2,62,49,65,610
	(b) Provision for Diminution	6,68,85,077	7,96,25,077
	(c) Net Value of Investments	2,47,64,93,954	2,54,53,40,533
	2) Movement in Provision held for depreciation on Investments		
	(a) Opening Balance	7,96,25,077	3,62,51,077
	(b) Add: Provision made during the year	-	4,34,00,000
	(c) Less: Write-back of Excess Provision during the year	1,27,40,000	26,000
	(d) Closing Balance	6,68,85,077	7,96,25,077
	5. Derivatives		
	Exposure to Derivative Instruments/Products	Nil	Nil
	6. Securitisation		
	A. Details of SPVs Sponsored for Securitisation of Assets		
	SPVs Sponsored	Nil	Nil
	B. Details of Financial Assets sold to Securitisation / Reconstruction Company for Assets Reconstruction		
	Financial Assets Sold	Nil	Nil
	C. Details of Assignment transaction undertaken		
	Assignment transaction undertaken	Nil	Nil
	D. Details of Non-performing financial assets purchased/sold		
	1) Non-performing financial assets purchased	Nil	Nil
	2) Non-performing financial assets sold		
	(a) No. of accounts sold	Nil	Nil
	(b) Aggregate outstanding	Nil	Nil
	(c) Aggregate consideration received	Nil	Nil
	(d) Gain/Loss over net book value	Nil	Nil
	7. Exposures		
	A. Exposure to Real Estate Sector (Direct)		
	1) Residential Mortgage	Nil	Nil
	2) Commercial Real Estate		
	- Lending secured by mortgage on commercial real estate	33,76,00,000	64,37,01,711
	- lending in mortgage backed securities & other exposure	Nil	Nil
	B.Exposure to Capital Market		
	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	19,36,46,580	35,81,65,894
	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds;	Nil	Nil
	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	20,00,00,000
	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
	bridge loans to companies against expected equity flows / issues;	Nil	Nil
	all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In `)

NOTE NO	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016		
31	8. Additional Disclosures				
Contd..	8.1 Breakup of Provision & Contingencies shown under the head expenditure in profit & loss account				
	1) Provision for Diminution on Investments	(1,27,40,000)	4,34,00,000		
	2) Provision for NPAs/Doubtful Debts	19,26,40,000	(98,00,000)		
	3) Provision for Diminution in NPV of Loans	1,67,00,000			
	4) Provision for Standard Assets	34,00,000	(1,36,00,000)		
	5) Provision Made Towards Income Tax	26,22,00,000	18,07,00,000		
	6) Other Provision and Contingencies (Deferred Tax Liability)	37,09,356	3,99,51,871		
	8.2 Concentration of Advances and NPAs.				
	8.2.1 Concentration of Advances.				
	1) Total Advances to Twenty Large Borrowers	8,47,77,55,874	7,91,69,64,588		
	2) Percentage of Advances to Twenty Large Borrowers	59.73%	61.33%		
	8.2.2 Concentration of NPAs.				
	1) Total Exposure to Top Four NPA Accounts	76,88,71,895	1,21,97,63,000		
	8.2.3 Sector Wise NPAs.				
	Sector	% of NPA to Total Advances in that Sector	% of NPA to Total Advances in that Sector		
	1) Tourism Sector	7.23%	14.25%		
	2) Real Estate / Housing	-	28.85%		
	8.3 Movement of NPAs.				
	1) Net NPAs to Net Advances (%)	3.11%	10.30%		
	2) Movement of Gross NPAs				
	(a) Opening Balance	1,58,85,32,065	48,70,72,387		
	(b) Add: Addition During Year	25,47,13,585	1,31,61,59,678		
	(c) Less: Reduction/Write-off During Year	1,03,20,01,368	21,47,00,000		
	(d) Closing Balance	81,12,44,282	1,58,85,32,065		
	3) Movement of Net NPAs				
	(a) Opening Balance	1,30,08,23,652	18,95,63,974		
	(b) Add: Addition During Year	25,47,13,585	1,32,59,59,678		
	(c) Less: Reduction/Write-off During Year	1,12,53,28,193	21,47,00,000		
	(d) Closing Balance	43,02,09,044	1,30,08,23,652		
	4) Movement in Provision for NPA				
	(a) Opening Balance	28,77,08,413	29,75,08,413		
	(b) Add: Provision made during the year	19,26,40,000	-		
	(c) Less: Loans Written off during the year*	9,93,13,175	-		
	(d) Less: Provision Written Back	-	98,00,000		
	(e) Closing Balance	38,10,35,238	28,77,08,413		
	* Partly by utilising Reserves available under Sec 36(1)(viii)(c) of Income Tax Act, 1961 amounting to Rs.9,19,00,410/-				
	8.4 Loans and advances availed (including interest accrued thereon but not paid)				
	Particulars	Outstanding	Overdue	Outstanding	Overdue
	Debentures (Bonds)				
	- Secured	1,59,74,00,000	Nil	1,59,74,00,000	Nil
	- Unsecured	7,81,50,00,000	Nil	7,81,50,00,000	Nil
	Deferred Credits	Nil	Nil	Nil	Nil
	Term Loans & WCDL/CC	1,08,72,49,424	Nil	55,25,91,422	Nil
	Inter Corporate Deposits	Nil	Nil	Nil	Nil
	Commercial Papers	Nil	Nil	Nil	Nil
	8.5 Break-up of Loans and Advances including bills receivables (Net of provision).				
	Particulars	Amount Outstanding	Amount Outstanding		
	a) Secured	13,87,28,60,228	12,69,45,88,353		
	b) Unsecured	29,19,451	28,90,907		
	8.6 Break up of Leased Assets and stock on hire and other assets counting towards AFC activities: Nil				



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

NOTE NO	Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016			
31	8.7 Break-up of Investments (Net of Provision)						
Contd.	A. Current Investments						
	Quoted						
	i) Shares						
	- Equity	41,21,500		12,81,40,814			
	- Preference	Nil		Nil			
	ii) Units of Mutual Funds	-		48,93,015			
	Un Quoted						
	i) Certificate of Deposits/Bonds	66,68,31,400		1,27,97,56,700			
	B. Long Term Investments						
	Quoted						
	i) Bonds & Debentures	1,36,77,01,050		65,00,50,000			
	Un Quoted						
	i) Shares						
	- Equity	13,74,00,003		15,04,00,003			
	- Preference	2,00,00,000		2,00,00,000			
	ii) Bonds/Debentures & Security Receipts	28,04,40,001		31,21,00,001			
	Total Investments (Current + Long Term)	2,47,64,93,954		2,54,53,40,533			
	8.8 Borrower group-wise classification of assets financed as in (8.5) and (8.6) above						
	Particulars	Amount (Net of Provision)			Amount (Net of Provision)		
		Secured	Unsecured	Total	Secured	Unsecured	Total
	i) Related Parties						
	- Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
	- Companies in Same Group	Nil	Nil	Nil	Nil	Nil	Nil
	- Other Related Parties	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Other than Related Parties	13,87,28,60,228	29,19,451	13,87,57,79,679	12,69,50,81,760	23,97,500	12,69,74,79,260
	8.9 Investor group-wise classification of all investments (current and long term) in shares and securities (Both Quoted & 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	Nil	
	- Companies in Same Group	67,00,50,000	67,00,50,000	79,43,88,584	81,81,16,914		
	- Other Related Parties	Nil	Nil	Nil	Nil	Nil	
	ii) Other than Related Parties	1,80,64,52,454	1,80,64,43,954	1,75,09,72,161	1,72,72,23,619		
	TOTAL	2,47,65,02,454	2,47,64,93,954	2,54,53,60,745	2,54,53,40,533		
	8.10 Other Information						
	i) Gross Non-Performing Assets						
	- Related parties					Nil	Nil
	- Other than related parties					81,12,44,282	1,58,85,32,065
	ii) Net Non-Performing Assets						
	- Related parties					Nil	Nil
	- Other than related parties					43,02,09,044	1,30,08,23,652
	iii) Assets acquired in satisfaction of debt					Nil	Nil
	8.11 Customer & Investor Complaints						
	a) No. of complaints pending at the beginning of the year					Nil	Nil
	b) No. of complaints received during the year					213	51
	c) No. of complaints redressed during the year					213	51
	d) No. of complaints pending at the end of the year					Nil	Nil
	8.12 Disclosure on Flexible Structuring of Existing Loans						
	Period & No. of Borrowers taken up for flexible structuring	Amount of Loan Taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring			
		Classified as Standard	Classified as NPA	Before Applying flexible structuring	After applying flexible structuring		
	1. Previous F.Y. 2015-16- (Nil)	-	-	-	-		
	2. Current F.Y. 2016-17- (1)	31,27,89,733	-	15 Years	Initial period of 5 years Over all 19 years		
32	Disclosure on Specified Bank Notes (SBN) as per MCA Notification G.S.R. 308(E) dated March 31 2017						
	Details	SBN	Other Denominations		Total		
	Closing Cash in Hand as on 08 November 2016	5,000	48,664	53,664			
	Add: Permitted Receipts (Withdrawal from Bank Accounts)	-	1,60,000	1,60,000			
	Less: Permitted Payments	-	1,68,641	1,68,641			
	Less: Deposited in Bank Accounts	5,000	3,040	8,040			
	Closing Cash in Hand as on 30 December 2016	-	36,983	36,983			



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

31 9. Details of Restructured Accounts as on 31 March 2017 (In ₹)																	
S. No	Type of Restructuring Assets Classification Details		Under CDR Mechanism					Others					Total				
			Stand-ard	Sub-Standard	Doubt-ful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on 01.04.2016	No of Borrowers	-	1	-	-	1	2	1	-	-	3	2	2	-	-	4
		Amount Outstanding	-	33,37,63,000	-	-	33,37,63,000	51,11,04,050	10,91,94,967	-	-	62,02,99,017	51,11,04,050	44,29,57,967	-	-	95,40,62,017
		Provision Thereon	-	3,33,76,300	-	-	3,33,76,300	2,55,55,203	1,09,19,497	-	-	3,64,74,700	2,55,55,203	4,42,95,797	-	-	6,98,51,000
2	Fresh restructuring during the year	No of Borrowers	-	-	-	-	-	-	-	1	-	1	-	-	-	1	
		Amount Outstanding	-	-	-	-	-	-	-	36,61,76,928	-	36,61,76,928	-	-	-	36,61,76,928	
		Provision Thereon	-	-	-	-	-	-	-	10,98,53,078	-	10,98,53,078	-	-	-	10,98,53,078	
3	Upgradations to restructured standard	No of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No of Borrowers	-	-	-	-	1	-	-	-	-	-	-	-	-	1	
		Amount Outstanding	-	-	-	-	19,78,04,317	-	-	-	-	-	-	-	-	19,78,04,317	
		Provision Thereon	-	-	-	-	98,90,216	-	-	-	-	-	-	-	-	98,90,216	
5	Downgradations of restructured accounts during the Financial Year	No of Borrowers	-	1	-	-	1	-	1	-	-	1	-	2	-	2	
		Amount Outstanding	-	33,37,63,000	-	-	33,37,63,000	-	10,91,94,967	-	-	10,91,94,967	-	44,29,57,967	-	44,29,57,967	
		Provision Thereon	-	3,33,76,300	-	-	3,33,76,300	-	1,09,19,497	-	-	1,09,19,497	-	4,42,95,797	-	4,42,95,797	
6	Write-offs of restructured accounts during the Financial Year	No of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Restructured Accounts as on March 31 of the Financial Year (closing figure)	No of Borrowers	-	-	-	-	1	-	2	-	3	1	-1	2	-	3	
		Amount Outstanding	-	-	-	-	31,27,27,733	-	47,53,71,895	-	78,80,99,628	31,27,27,733	-	47,53,71,895	-	78,80,99,628	
		Provision Thereon	-	-	-	-	1,56,36,387	-	13,16,92,071	-	14,73,28,458	1,56,36,387	-	13,16,92,071	-	14,73,28,458	

34 10. Asset Liability Management Maturity pattern of certain items of assets and liabilities (In `)										
	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	91,72,49,424	-	-	-	-	11,33,33,333	5,66,66,667	-	1,08,72,49,424	
Market Borrowings	-	-	-	-	-	1,00,00,00,000	1,06,50,00,000	7,34,74,00,000	9,41,24,00,000	
Assets										
Advances	26,56,83,213	2,79,02,000	6,59,56,000	40,56,94,000	87,56,49,877	3,50,78,77,000	2,09,21,00,392	6,96,95,34,543	14,21,03,97,025	
Investments	66,68,31,400	-	39,00,000	1,69,00,000	2,90,29,000	34,50,16,000	3,73,55,000	1,44,43,47,631	2,54,33,79,031	

For V C Gautam & Co.
(Chartered Accountants)
Firm Regn. No. 000365N
(Vishnu Gautam)
Partner
M.No. 016257
Date : May 29, 2017
Place : New Delhi

(S. Ravi)
Director
(Sanjay Ahuja)
Company Secretary

(S. P. Arora)
Managing Director
(Anoop Bali)
Chief Financial Officer

(Sanjeev Kaushik)
Chairman
(B. M. Gupta)
Executive Director



Tourism Finance Corporation of India Ltd.

(CIN L65910DL1989PLC034812)

4th Floor, Tower 1, NBCC Plaza, Pushp Vihar, Sector V, Saket, New Delhi-110 017

Phone No.: 011-47472200, 29561180 Fax: 011-29561171

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

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

ATTENDANCE SLIP

DP ID *	
CLIENT ID	

FOLIO NO. *

I hereby record my presence at the 28th ANNUAL GENERAL MEETING of the Company being held on Monday September 25, 2017 at 3.00 P.M. at IFCI Tower, 61 Nehru Place, New Delhi-110019.

NAME OF THE SHAREHOLDER

NAME OF PROXY #

#To be filled in case proxy attends instead of Shareholder

SIGNATURE OF THE SHAREHOLDER/PROXY*

*Strike out whichever is not applicable

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



Tourism Finance Corporation of India Ltd.

(CIN L65910DL1989PLC034812)

4th Floor, Tower 1, NBCC Plaza, Pushp Vihar, Sector V, Saket, New Delhi-110 017

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

PROXY FORM

NAME OF THE MEMBER(S):

REGISTERED ADDRESS:

E-MAIL ID:

FOLIO NO./CLIENT ID:

DP ID:

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

(1) Name: Address:

E-mail Id: Signature: or failing him/her

(2) Name: Address:

E-mail Id: Signature: or failing him/her

(3) Name: Address:

E-mail Id: Signature: or failing him/her

as my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the Twenty Eighth Annual General Meeting of the Company to be held on Monday, September 25, 2017 at 3.00 P.M. at IFCI Tower, 61 Nehru Place, New Delhi-110019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions Matter	For	Against
1	To consider and adopt the audited financial statements of the Company including the Balance Sheet as at March 31, 2017 and the statement of Profit and Loss Account for the year ended March 31, 2017 and the report of the Board of Directors' and Auditors' thereon.		
2	To declare Dividend on Equity Shares.		
3	To appoint a Director in place of Shri Niraj Agarwal (DIN: 06483526), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.		
4	To appoint Statutory Auditors of the Company in terms of the provisions of section 139 and other applicable provisions of the Companies Act, 2013.		
5	To appoint Shri Sanjeev Kaushik IAS (DIN:02842527), as Director, liable to retire by rotation.		
6.	To appoint Shri B.N.Nayak (DIN:0144147), as Director, liable to retire by rotation.		
7	To Re-appoint Shri S.Ravi (DIN: 00009790) as an Independent Director of the Company not liable to retire by rotation, to hold office for a term upto 5 (Five) consecutive years commencing from 1.4.2017.		
8	To Re-appoint Shri S.Sridhar (DIN: 00004272), as an Independent Director of the Company not liable to retire by rotation, to hold office for a term upto 5 (Five) consecutive years commencing from 27.5.2017.		
9	Shri Rudhra Gangadharan I.A.S. (Retd.) DIN (07863333) as an Independent Director of the Company not liable to retire by rotation, to hold office for a term upto 5 (Five) consecutive years commencing from June 30, 2017.		
10	To approve revision in the remuneration of Shri Satpal Kumar Arora, Managing Director (DIN : 00061420)		
11	To approve private placement of bond/debentures etc.		

Signed thisday of 2017

Affix
Revenue
Stamp

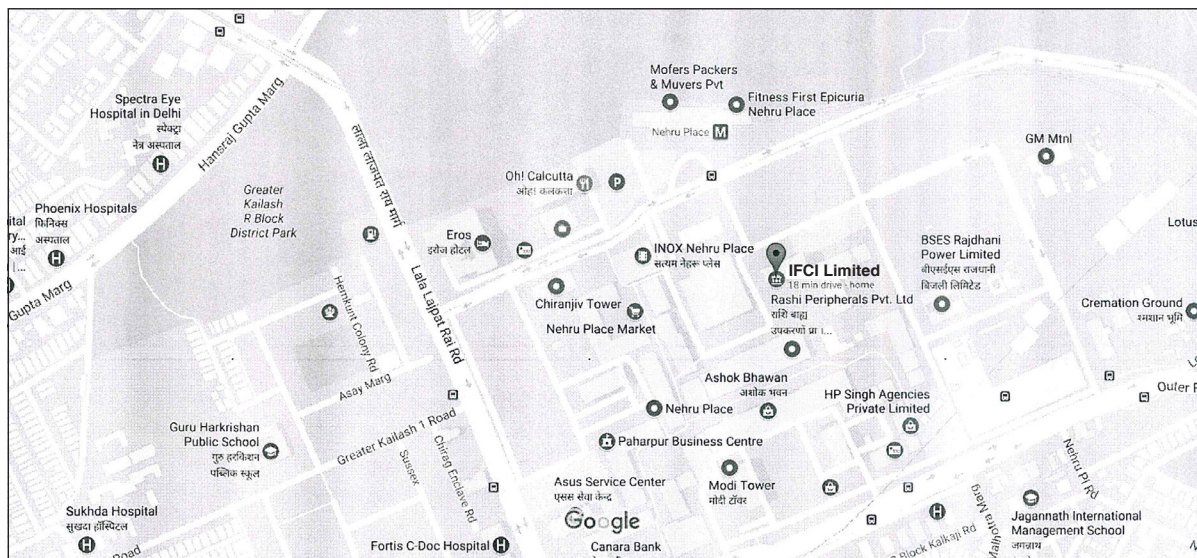
Signature of Shareholder(s)

Signature of proxy holder(s)

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the Meeting.**
- For the resolutions Explanatory, Statements and Notes, please refer to the notice of the 28th Annual General Meeting.
- It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in the box before submission.

ROUTE MAP TO THE VENUE OF THE AGM





Tourism Finance Corporation of India Limited

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