



**29th**  
Annual Report  
2017-18



**Tourism Finance Corporation of India Limited**



## BOARD OF DIRECTORS



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



**Shri Suman Billa**  
Nominee Director. Ministry  
of Tourism, Govt. of India



**Shri Niraj Agrawal**  
Director



**Shri Rudhra Gangadharan**  
Independent Director



**Shri S. Sridhar**  
Independent Director



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



**Justice (Retd.) Ms. Rekha Sharma**  
Independent Director



**Shri K.B. Nagendra Murthy**  
Independent Director



**Shri Bapi Munshi**  
Independent Director



## BOARD OF DIRECTORS\*

\*as on June 30, 2018

<b>Shri S. Ravi</b>	Non-Executive Chairman (Independent Director)
<b>Shri Suman Billa</b>	Nominee Director, Ministry of Tourism, Govt. of India
<b>Shri Niraj Agarwal</b>	Representing LIC of India
<b>Shri S. Sridhar</b>	Independent Director
<b>Shri S.C. Sekhar</b>	Independent Director
<b>Shri K.B. Nagendra Murthy</b>	Independent Director
<b>Justice (Retd.) Ms. Rekha Sharma</b>	Independent Director
<b>Shri Rudhra Gangadharan I.A.S. (Retd.)</b>	Independent Director
<b>Shri Bapi Munshi</b>	Independent Director

## EXECUTIVE DIRECTOR

**Shri B.M.Gupta**

## KEY MANAGERIAL PERSONNEL

Shri Anoop Bali	Chief Financial Officer
Shri Sanjay Ahuja	Company Secretary

## STATUTORY AUDITORS

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

## REGISTRAR AND TRANSFER AGENT

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

## REGISTERED OFFICE

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

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

**HIGHLIGHTS**

(₹ in Lakh)

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	
<b>Resources</b>			
Share Capital	8072	8072	
Reserves and Surplus	54473	47353	
Secured Loans	44976	26846	
Unsecured Loans	85650	78150	
<b>Total</b>	<b>193171</b>	<b>160421</b>	
<b>Operations</b>			
	<b>Cumulative</b>	<b>2017-2018</b>	<b>2016-2017</b>
<b>Assistance sanctioned</b>			
Rupee Loan	1002614	127230	97480
Leasing	2491	—	—
Subscription to Equity/Preference Share/ Mutual Fund/Debenture	82070	—	—
Guarantee	1483	—	—
<b>Total</b>	<b>1088658</b>	<b>127230</b>	<b>97480</b>
<b>Assistance disbursed</b>			
Rupee Loan	566728	69298	48737
Leasing	1580	—	—
Subscription to Equity/Preference Share/ Mutual Fund/Debenture	75611	—	—
Guarantee	1443	—	—
<b>Total</b>	<b>645362</b>	<b>69298</b>	<b>48737</b>
<b>Earnings</b>			
Profit before tax		10884	9702
Profit after tax		7531	7043
Earning per share (₹)		9.33	8.73



## NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the members of Tourism Finance Corporation of India Ltd. will be held on Friday, the 10<sup>th</sup> day of August, 2018 at 11.00 a.m., at IFCI Tower, 61, Nehru Place, New Delhi 110 019, 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, 2018 and the Statement of Profit and Loss for the year ended March 31, 2018 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.

### SPECIAL BUSINESS:

4. 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 Bapi Munshi (DIN: 02470242), who was appointed as an Additional Director by the Board of Directors of the Company with effect from February 1, 2018, 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 February 1, 2018 upto January 31, 2023.”

5. 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.C.Sekhar (DIN: 00024780) 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 of 5 (five) consecutive years w.e.f. March 18, 2018 upto February 28, 2023.

6. 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 K.B.N.Murthy (DIN: 00359864) 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 of 5 (Five) consecutive years w.e.f. January 22, 2019 upto December 31, 2023.

7. 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 of 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 appointment of Shri Satpal Kumar Arora (DIN:00061420) as Managing Director for further period from April 1, 2018 to May 15, 2018 and revision/improvement in his remuneration/perquisites as mentioned below:



<b>Subject</b>	<b>Existing Facilities of Managing Director</b>	<b>Revised Facilities of Managing Director</b>
<b>Telephone/Mobile</b>	Rs.8087 p.m. on declaration basis w.e.f 1 <sup>st</sup> March 2017 onwards	Rs.8778 p.m. on declaration basis w.e.f 1 <sup>st</sup> June 2017 upto May 15, 2018
<b>Internet Expense reimbursement</b>	NIL	Maximum upto Rs.2,500 p.m. w.e.f. 1 <sup>st</sup> June, 2017 upto May 15, 2018
<b>Furnishing/Furniture</b>	The cost of furnishing/furniture shall not exceed Rs.3.00 lakh.	The cost of furnishing/furniture shall not exceed Rs.4 lakh as per the scheme applicable to other staff members of TFCI at par with Executive Director.

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

RESOLVED THAT pursuant to Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, and rules made thereunder approval be and is hereby accorded for the appointment of Shri B.M.Gupta, Executive Director as the Manager of the Company w.e.f. May 16, 2018 till the joining of the Managing Director of the Company.

RESOLVED FURTHER THAT Shri B.M.Gupta as Manager of the Company be and is hereby authorised to exercise powers vested with the Managing Director.

RESOLVED FURTHER THAT Shri B.M.Gupta as Manager of the Company shall draw the same remuneration as he has been drawing in the capacity as Executive Director of the Company as set out hereunder:

<b>Subject</b>	<b>Pay/ Facilities</b>
Basic Pay	Rs.1,27,500 p.m. in the pay scale of Rs.1,20,500-3500(2)-127500 (3 years)
Promotion Allowance	As per rules of TFCI, presently Rs.30,000 p.m.
DA	Applicable D.A. rates from time to time presently 52.70% of basic pay
CAIB allowance	As per rules of TFCI, presently Rs.7,000 p.m.
HRA	As per rules of TFCI, presently Rs.19,125 p.m.
Conveyance	As per rules of TFCI presently 340 litres of petrol and maintenance Rs.4,000 p.m. plus Driver salary Rs.16,000 p.m.

	As per the rules of TFCI, presently Rs.11,278 p.m. on declaration basis.
Newspaper/ Book Grant	As per the rules of TFCI, presently Rs.2,083 p.m. on declaration basis
Electricity	As per the rules of TFCI, presently Rs.2,560 p.m. (400 units @ 6.40 per unit) on declaration basis
Personal Allowance	As per rules of TFCI, presently Rs.550 p.m
Special Compensatory Allowance	As per rules of TFCI, presently Rs.1500 p.m.
Fixed Personal Allowance	As per rules of TFCI, presently Rs.3880 p.m.
Household Help	As per rules of TFCI, presently Rs.8000 p.m.
Travelling, Boarding and Lodging	As per rules of TFCI.
Medical Benefits	Expenses incurred for self and dependent family members, in India as per rules of TFCI.
Personal Accident Insurance	As per the rules of TFCI.
Leave Travel Concession	As per the rules of TFCI.
Entertainment Allowance	As per the rules of TFCI, presently Rs.40,000 p.a. on declaration basis.
Gratuity	As per the rules of TFCI.
Leave/Leave Encashment	As per Staff Regulations of the Company.
Performance Linked Incentive	As decided by the Board of Directors/ Remuneration & Compensation Committee of Directors, from time to time.
Provident Fund	As per the rules of TFCI.
Pension Benefits	15% of pay (basic and allowances on which DA is admissible)
Other perquisites	House Building Advance, Conveyance/consumer Durable Advance, Festival Advance, Reimbursement of Briefcase, mobile, lunch subsidy, spectacles etc. as per the rules of TFCI.

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 (including Nomination and Remuneration Committee) 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.”

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

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

In Article 123(i), the words and phrases “*two directors of the Company, one representing the Ministry of Finance and one representing the Ministry concerned with Tourism*” be substituted with the words and phrases “one director representing the Ministry of Tourism.”

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

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution(s), as a 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.700 crore (Rupees Seven 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 : June 29, 2018

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). 4 to 10 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, liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.
5. Brief profile of the Directors proposed to be appointed/re-appointed, is set out in “Information about Directors seeking appointment/re-appointment as mandated in 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, MCS Share Transfer Agents Ltd. at F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-1, New Delhi-110020.
  - (c) quote their DP ID No./Client ID No, or folio number in all correspondence.
8. Relevant documents referred to in the accompanying Notice as well as the other documents are open for inspection at the registered office of the Company on all working days except Saturday, Sunday and holidays between 11.00 a.m. to 1.00 p.m. upto the date of this Annual General Meeting.
9. (a) The Register of Members and Share Transfer Books for equity shares of the Company will remain closed from **August 4, 2018 to August 10, 2018** (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 **August 10, 2018** 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 **August 3, 2018**
10. Members may please note that for shares in electronic form, bank particulars registered against their depository accounts will be used by the Company for payment of dividend, therefore they are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in address immediately to the Registrar & Share Transfer Agent(R&TA), M/s MCS Share Transfer Agents Ltd. at F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-1, New Delhi-110020
11. Members holding shares in more than one folio in identical order of the names are requested to write to R&TA enclosing their share certificates to enable them to consolidate the holdings in one folio to facilitate better service.
12. Pursuant to the provisions of Section 125 of the Companies Act, 2013(relevant section 205C of the

Companies Act, 1956), the amount of dividend remaining unclaimed and unpaid for a period of 7 years from the date of payment is required to be transferred to the Investor Education and Protection Fund (the IEPF) established by the Ministry of Corporate Affairs, Government of India. Members who have not yet encashed their dividend warrants for the previous years, are requested to make their claims to the Company immediately. It may be noted that once the unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof from the Company. The due date for transfer of unpaid dividend amount to IEPF for these years are:

Year	Due Date
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
2016-17	25.10.2024

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

13. It is further informed to the shareholders that unclaimed dividend upto and including the financial year 2009-10 has already been transferred to the IEPF. Those who have not claimed their dividend upto 2009-10, may please claim their refund from IEPF Authority and log to <http://www.iepf.gov.in/IEPFA/refund.html>.
14. 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.
15. 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.

The Securities and Exchange Board of India (SEBI) vide amendment in the Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, dated 8.06.2018, has mandated that the transfer





of securities would be carried out in dematerialized form only w.e.f. 5th December, 2018. Accordingly all the shareholders are advised to dematerialize their physical shareholding at earliest. After December 5, 2018, no request for transfer of shares in physical form can be processed by the Company/RTA. In order to dematerialize your shares, please open a Demat Account with any of the Depository Participant and submit your physical share certificate(s) with them for dematerialization to avoid inconvenience at later stage.

16. 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](http://www.tfcilt.com).
17. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
18. 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 29<sup>th</sup> AGM Notice may be transacted through electronic voting system and the Company is providing e-voting facility to the members who are the members as on **August 3, 2018** (End of Day) being the “Record Date” fixed for the purpose, to exercise their right to vote at the 29th 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 **August 7, 2018** at 9.00 a.m. and ends on **August 9, 2018** 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 **August 3, 2018**, 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](http://www.evotingindia.com).
- (iii) Click on Shareholders/Members.
- (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](http://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"> <li>• 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 Reports’ Envelop.</li> <li>• 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.</li> </ul>
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"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (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 for the relevant <Company Name> 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 users can download the app from the App Store and Windows stores 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](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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](http://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 29<sup>th</sup> 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: 4**
- Shri Bapi Munshi (DIN: 02470242) was appointed as an Additional Director w.e.f. February 1, 2018. 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 Bapi Munshi for the office of Director at the ensuing Annual General Meeting.



Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors liable 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 Bapi Munshi as Independent Director for an initial term of 5 (Five) consecutive year w.e.f. February 1, 2018, the date of his appointment in the company.

The Company has received a declaration from Shri Bapi Munshi 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 Bapi Munshi fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulation. Shri Bapi Munshi is independent of the management.

Brief profile of Shri Bapi Munshi 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. 4 of the Notice for approval of the members of the Company. Shri Bapi Munshi 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: 5**

As per the term of appointment, the tenure of Shri S.C.Sekhar was upto March 17, 2018. The Board of Directors at their meeting held on July 31, 2017 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 January 9, 2018, approved re-appointment of Shri S.C.Sekhar as Independent Director for second term of 5 (Five) years w.e.f. March 18, 2018 upto February 28, 2023 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.C.Sekhar that he meets the criteria of independence as provided in section 149(6) of the Companies Act, 2013. In the opinion of the Board, Shri S.C.Sekhar fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulation. Shri S.C.Sekhar is independent of the management.

Brief profile of Shri S.C.Sekhar 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. 5 of the Notice for approval of the members of the Company. Shri S.C.Sekhar 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**

As per the term of appointment, the tenure of Shri K.B.N.Murthy was upto January 21, 2019. The Board of Directors at their meeting held on July 31, 2017 and June 29, 2018 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 approved re-appointment of Shri K.B.N. Murthy as Independent Director for w.e.f. January 22, 2019 till December 31, 2023 subject to approval of shareholders by way of Special Resolution in the next Annual General Meeting.

The Company has received a declaration from Shri K.B.N.Murthy 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 K.B.N.Murthy fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulation. Shri K.B.N.Murthy is independent of the management.

Brief profile of Shri K.B.N.Murthy 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. 6 of the Notice for approval of the members of the Company. Shri K.B.N.Murthy 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**

The Members approved appointment of Shri Satpal Kumar Arora, as Managing Director of the Company at 27<sup>th</sup> 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. Accordingly, he was due for superannuation on March 31, 2018. The Board of Directors (including Nomination and Remuneration Committee) was authorized to fix, increase,



alter and to vary the remuneration of Managing Director consisting salary, perquisites, allowance etc. within the ceiling limits in that behalf as laid down in Schedule V to the Companies Act, 2013. The Board of Directors at the meeting held on March 26, 2018 extended the tenure of Shri Satpal Kumar Arora, Managing Director for further period of 3 months i.e. upto June 30, 2018 subject to the approval of the shareholders in the forthcoming Annual General Meeting. However, Shri Satpal Kumar Arora submitted his resignation as Managing Director/Director of the Company which was accepted by the Board of Directors w.e.f. May 15, 2018. The Board of Directors in the meanwhile revised certain facilities payable to Managing Director at par with other employees of TFCI, on the recommendation by the Nomination and Remuneration Committee as mentioned in the proposed resolution subject to approval by the members in the forthcoming Annual General Meeting. The remuneration payable to former Managing Director is within the 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. 7 of the Notice for approval of the members of the Company.

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

#### **ITEM NO. 8**

Consequent upon acceptance of the resignation of Shri Satpal Kumar Arora as Managing Director/Director of the Company w.e.f. May 15, 2018, the Board of Directors had appointed Shri B.M.Gupta, Executive Director as Manager of the Company pursuant to provision to Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, w.e.f. May 16, 2018 till the selection and joining of the new incumbent. Shri B.M.Gupta as Manager of the Company shall draw the same remuneration as he has been drawing in the capacity as Executive Director. The remuneration payable to Manager is within the 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. 8 of the Notice for approval of the members of the Company.

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

#### **ITEM NO. 9**

Ministry of Finance, Department of Financial Services, Govt. of India vide letter dated November 29, 2017 had advised that consequent upon disinvestment of majority stake of IFCI Ltd. in TFCI Ltd., the Government of India

has decided to withdraw its nominee director on the Board of TFCI Ltd. with immediate effect and also requested to amend its Articles of Association in this regard. Accordingly, the Board of Directors approved to amend the Article 123 of the Articles of Association subject to approval of the shareholders.

The Board recommends the resolution set out in item no. 9 of the Notice for approval of the members of the Company. None of Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution, except to the extent of their shareholding in the Company.

#### **Item No.10**

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

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

The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made thereunder, to enable the Company to offer or invite subscriptions for securities, including but not limited to bonds and non-convertible debentures upto Rs.700 crore on a private placement basis, in one or more tranches, during the period of one year ending upto the next Annual General Meeting, within the overall borrowing limits of the Company, as approved by the Members from time to time and which shall include any amount borrowed through securities offered on private placement basis and subscribed during the current financial year upto the approval of the shareholders proposed at the Resolution at Item No. 10.

The Board of Directors recommends the passing of the proposed Special Resolution as set out in item No.10 of the Notice, by members of the Company.

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

By order of the Board of Directors

Date : June 29, 2018  
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 60 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 S.C. Sekhar

Shri S.C. Sekhar, age 65 years, is science graduate from Delhi University and fellow member of the Institute of Chartered Accountant of India. He joined ITC Ltd. in its hotel division in 1978 and during 36 years he held various positions in the finance function besides working as Executive Assistant to Chairman of ITC's hotel division. He retired in February, 2015 as senior Executive Vice President of the hotel division of ITC Ltd. He was holding Board level positions in the subsidiary/associates of ITC Ltd. before his superannuation from ITC Ltd. He is a thorough professional in the tourism/travel industry and has been with ITC Ltd. for more than 36 years.

He is a Director of Adyar Gate Hotels Ltd. He is Chairman of Audit Committee and Wilful Defaulter Review Committee and member of Executive Committee of Tourism Finance Corporation of India Ltd. and member of Audit Committee

and Nomination and Remuneration Committee of Adyar Gate Hotels Ltd. He holds 500 equity shares of the Company.

### Dr. K.B. Nagendra Murthy

Dr. K.B. Nagendra Murthy, age 68 years, is M.Com (Gold Medalist), CAIIB and Ph.d and has over four decades of experience in banking industry. He has rich experience coupled with an in depth knowledge of the Banking Industry from across various markets in India. He is independent director of Rajapalayam Mills Ltd. and Sri Kannipiran Mills Ltd.

He is member of Audit Committee of Rajapalayam Mills Ltd. and Sri Kannipiran Mills Ltd. and member of Nomination and Remuneration Committee, Audit Committee, Executive Committee and Wilful Defaulter Review Committee of Tourism Finance Corporation of India Ltd. He does not hold shares of the Company.

### Shri Satpal Kumar Arora

Shri Satpal Kumar Arora, age 60 years, is a post graduate in Commerce, an Associate member of ICSI and ICMA. He is also law graduate and a Diploma holder in Labour Laws and a certified Associate of Indian Institute of Bankers. He has more than 35 years of professional experience. He was Executive Director, IFCI Ltd. and was on the board of many companies as Nominee Director. He is not a director in any other company as on date. He was member of Stakeholder Relationship Committee of the Company and did not hold any equity shares of the Company.

### Shri Bapi Munshi

Shri Bapi Munshi, age 62 years, is MSc (IIT, Kharagpur) and retired as President & Chief Risk Officer, Axis Bank in April 2016. He has more than 36 years of experience in Banking and Finance etc. He is presently Director on the Board of Directors of Axis Mutual Fund Trustee Company Ltd. and Cox and Kings Financial Service Ltd. He is member of Risk Management Committee of the Company and Audit Committee of Axis Mutual Fund Trustee Company Ltd. He does not hold any 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 Ninth Annual Report on the business and operations of the Company and the audited accounts for the financial year 2017-18.

### 2. Financial Results

The Company's financial performance for the year ended 31<sup>st</sup> March, 2018 is summarized below:

(Amount in Crore)

Sl. No.	Particulars	2017-18	2016-17
<b>A. Operational Results</b>			
1	Total Income	227.17	208.54
2	Total Expenditure	118.33	114.88
3	Operational Profit before provision and taxes	108.84	93.66
4	Exceptional Income from the sale of property	-	23.36
5	(Provision) for doubtful debts/investment	-	(20.00)
6	Profit before Tax	108.84	97.02
7	Provision for Tax	33.53	26.59
8	Profit After Tax	75.31	70.43
<b>B. Appropriation of Profit</b>			
9	Opening Balance in Profit & Loss Account	10.02	7.23
10	Less: Provision for doubtful debts u/s 36(1)(viiia) of the Income Tax Act, 1961	4.10	-
<b>C. Profit Available For Appropriation</b>		<b>81.23</b>	<b>77.66</b>
11	Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961	16.48	17.51
12	Special Reserve u/s 45 IC of RBI Act	15.06	14.09
13	Transfer to General Reserve	20.00	15.00
14	Proposed Dividend	-	16.14
15	Provision for Dividend Tax	-	3.28
16	TDS Credit Rejection for earlier years	-	1.62
17	Closing Balance in Profit and Loss Account	29.69	10.02
		<b>81.23</b>	<b>77.66</b>

### 3. Operational Performance

TFCI closed another year 2017-18, with good operational results having positive impact on the financials of the company with better future prospects. During 2017-18, TFCI achieved sanctions of Rs.1272.30 crore as against previous year sanctions of Rs.974.80 crore. TFCI made disbursement of Rs.692.98 crore as against previous year disbursement of Rs.487.37 crore. TFCI has major exposure in financing of tourism projects particularly hotels in 5-star and 3-star segments and shall strive to have a mix of portfolio by lending to other sectors for short/medium term without compromising its focus on tourism. TFCI has been selecting tourism projects for financing diligently resulting into low stress factor on its balance sheet. TFCI recorded total operational income of Rs.227.17 crore (PY: Rs.208.54 crore), profit before tax of Rs.108.84 crore (PY:Rs.97.02 crore) depicting growth of 12.18% and profit after tax of Rs.75.31 crore (PY: Rs.70.43 crore). The balance sheet size has increased to Rs.2007.44 crore for the year under review as compared to that of Rs.1700.30 crore depicting growth of about 18%. Your company has recorded gross NPAs of Rs.33.30 crore (1.63% of total assets) as on 31<sup>st</sup> March, 2018 despite stress recorded all over in the entire banking system.

Your company continues to explore possibilities for new businesses and has been on the look out for existing 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 posed continued challenges to the banking sector during the year. The subdued macro-economic environment and tepid demand scenario in the past 7 years had also affected the tourism sector and thus adversely affecting TFCI's sanctions and disbursements and recovery from assisted concerns. Your Company followed strict appraisal criteria based on cash flow generating capacity of the project and adhered to the prudential norms for Non-Performing Assets (NPAs) prescribed by the regulatory authority. During the financial year 2017-18, no new account was downgraded and TFCI has been able to recover Rs.27.52 crore from non-performing/ Written-off



accounts (Principal: Rs.3.23 crore, Interest:Rs.23.87 crore & other charges: Rs.0.42 crore). Further, one NPA account of Rs.36.32 crore was upgraded to standard asset in view of satisfactory credit record post restructuring as per extant RBI norms. As a result the Gross NPA reduced from Rs.81.12 crore to Rs.33.30 crore as on March 31, 2018. 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, 2018 were Rs.1.22 crore (PY: Rs.43.02 crore) representing 0.06% of the total assets.

#### **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 29 years of existence. It has effectively played its main objective of catalysing investment in tourism sector thereby assisting the nation in creation of tourism infrastructure besides generating employment through tourism. Since inception, TFCI has been instrumental for creation and addition of 50350 hotel rooms in the country representing almost equal to 30% of the room capacity as on date. With the financial assistance provided by TFCI, the tourism related projects has provided direct employment to about 93286 persons. The assistance provided to more than 863 projects by TFCI has also led to catalysing investments to the tune of Rs.30182 Crore in the tourism and other sectors.

#### **5. Dividend**

The Board of Directors have recommended dividend of Rs.2 per Equity Share i.e. @ 20% on the paid-up Equity Share Capital for the financial year ended March 31, 2018. The total payout on account of payment of dividend will be Rs.16.14 Crore besides dividend tax of Rs.3.32 crore subject to approval by the shareholders.

The dividend will be paid to those members whose names appear in the Register of Members as on August 10, 2018 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 August 3, 2018 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 by way of financial assistance from banks on short term basis 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 or 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, 2018.

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

Your Company has been classified as Systematic Important Non-Deposit Accepting Non-Banking Financial Company. RBI has been issuing guidelines from time to time with regard to capital adequacy standards, income recognition, asset classification, provisioning and other related matters. The accounting policies of your Company conform to these guidelines. The capital adequacy for your Company stands at a comfortable level of 42.28% as on the March 31, 2018 as against the prescribed norm of 15%.

#### **8. Management's Discussion and Analysis Report**

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

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

During the year, Shri Rudhra Gangadharan I.A.S. (Retd.) was appointed as an additional director(s) in the Independent Category on June 30, 2017 by the Board of Directors for a period upto 5 (Five) years. His appointment was approved by shareholders in the 28<sup>th</sup> Annual General Meeting held on September 25, 2017. Members also approved the re-appointment of Shri Niraj Agarwal as Non-Executive Non-Independent Director who is liable to retire by rotation and also re-appointed Shri S.Ravi and Shri S.Sridhar as Independent Director(s) for second term of 5 (Five) years. During the year, Shri Sanjeev Kaushik, Non-Executive Chairman resigned as Director which was accepted by the Board of Directors w.e.f. September 22, 2017. Ministry of Finance, Department of Financial Services, Govt. of India vide letter dated November 29, 2017 advised that consequent upon disinvestment of majority stake of IFCI Ltd. in TFCI Ltd., the Government of India has decided to withdraw its nominee director Shri A.K.Dogra and he ceased to be director w.e.f. December 8, 2017. Shri B.N.Nayak, Director had resigned from the Board of Directors of the Company and his resignation has been accepted w.e.f. March 26, 2018. Shri Bapi Munshi was appointed as an Additional Director in Independent Category w.e.f. February 1, 2018 for a period of 5



years subject to the approval of the shareholders in the forthcoming Annual General Meeting by way of Special Resolution. The tenure of Shri S.C.Sekhar, Independent Director was upto 17<sup>th</sup> March, 2018. The Board of Directors has approved re-appointment of Shri S.C.Sekhar as Independent Directors for second term of 5 (five) years w.e.f. March 18, 2018 upto February 28, 2023 subject to approval of shareholders by way of Special Resolution in the next Annual General Meeting.

Further, as per the terms of appointment, the tenure of Shri Satpal Kumar Arora, former Managing Director was upto March 31, 2018 i.e. till he attained the age of 60 years. The Board of Directors at the meeting held on March 26, 2018 extended the tenure of Shri Satpal Kumar Arora, Managing Director for further period of 3 months i.e. upto June 30, 2018 subject to the approval of the shareholders in the forthcoming Annual General Meeting. However, Shri Satpal Kumar Arora submitted his resignation as Managing Director/Director of the Company which was accepted by the Board of Directors w.e.f. May 15, 2018. The Board of Directors appointed Shri B.M.Gupta, Executive Director as Manager of the Company w.e.f. May 16, 2018 till joining of the new Managing Director.

The Board appreciates the contribution made by the outgoing directors viz. Shri Sanjeev Kaushik, Shri A.K.Dogra, Shri B.N.Nayak and Shri Satpal Kumar Arora. 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 by rotation at the forthcoming Annual General Meeting and is eligible for reappointment. The Board recommends the reappointment of Shri Niraj Agawal and Shri S.C.Sekhar in the forthcoming Annual General Meeting. The tenure of Shri K.B.N.Murthy is upto January 21, 2019 and the Board of Directors has recommended re-appointment of Shri K.B.N.Murthy as Independent Director for second term w.e.f. January 22, 2019 till December 31, 2023 subject to approval of shareholders by way of Special Resolution in the next Annual General Meeting.

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

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

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

The process of evaluation has been stipulated

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

### **9.2 Director Orientation Program**

The Directors on regular basis are made aware of the business models, nature of industry and its dynamism, the roles, responsibilities and liabilities of Independent directors, etc. Further, business updates, legal updates and industry updates are made available to Independent Directors, especially to the Audit Committee members on an ongoing basis by internal teams, external consultants, statutory and internal auditors. A special programme for Directors was organised on 28<sup>th</sup> June, 2018 to familiarise them with the implementation of Ind AS through the outside consultants.

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

### **9.3 Details of Board meetings**

During the year, 6 Board Meetings were held on May 29, 2017, July 31, 2017, November 1, 2017, January 9, 2018, February 7, 2018 and March 26, 2018. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. The details about the meetings of Audit Committee and other Committees are provided in the report on Corporate Governance which forms part of this Directors' Report.

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

During 2017-18, Shri Satpal Kumar Arora, former Managing Director; Shri Anoop Bali,





Chief Financial Officer and Shri Sanjay Ahuja, Company Secretary were the Key Managerial Personnel as per the provisions of the Companies Act, 2013. Shri Satpal Kumar Arora submitted his resignation as Managing Director/Director of the Company which was accepted by the Board of Directors w.e.f. May 15, 2018 and Shri B.M.Gupta, Executive Director was appointed as Manager of the Company w.e.f. May 16, 2018 till joining of the new incumbent. There is no change in other Key Managerial Personnels.

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

#### Remuneration Policy

##### I. Board Level Remuneration Structure

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

During FY2017-18, the Non-Executive Directors (except Government Servants) were paid sitting fees Rs.20,000 and Rs.10,000 (plus service tax) per meeting upto January 8, 2018 for attending the meetings of Board and its Committees respectively. The Board revised the sitting fee w.e.f. January 9, 2018 to Rs.40,000 and Rs.20,000 (plus tax) per meeting for attending the meetings of Board and its Committees respectively. 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 –

1. 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:

- (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.

**10.1** Your Directors confirm compliance of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India by the Company.

##### 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 2017-18 and 2018-19. The addresses of the said Stock Exchanges are stated elsewhere in the Annual Report.

### **11.1 Change in Shareholding**

During September, 2017, IFCI the original promoter shareholder, sold 24% shares and Redkite Capital Pvt. Ltd. alongwith Person Acting in Concert (PAC) namely Koppara Sajeeve Thomas, India Opportunities III Pte. Limited, Centrum Capital Ltd. and others had acquired approx. 21% shares in TFCI. Your Company has received communication dated May 18, 2018 from IDFC Bank Ltd. (Manager to open offer) regarding public announcement for making open offer by Redkite Capital Pvt. Ltd. (Acquirer) alongwith India Opportunities III Pte. Limited (PAC 1), Koppara Sajeeve Thomas (PAC 2) for acquisition of up to 20,986,355 equity shares of Rs.10 each of TFCI, constituting 26% of the voting equity share capital at a price of Rs.157.20 per Equity Share ("Offer Price"). The Acquirer alongwith PACs have filed the draft letter of offer (DLoF) with SEBI on 1<sup>st</sup> June, 2018. As per the DLoF, the Acquirer alongwith PACs propose to acquire upto 26% of the Voting Share Capital of the Company under the Open Offer. Accordingly, the Acquirer shall become the promoter of the Company and have management control over the Company subject to approval from SEBI, RBI and other regulatory authorities. The Company shall continue to be managed by the Board of Directors which shall have representative of acquirer alongwith PAC. The Board of Directors considered and approved the proposal for submitting an application with RBI regarding intention to change control/ management as per the recommendation of the Nomination and Remuneration Committee and for publishing public notice subject to the necessary approval of the Reserve Bank of India, SEBI or any other necessary approval and also upon Acquirer/PACs acquiring minimum 26% equity shares of the Company.

### **12. Auditors**

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, 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, subject to review every year by the Board of Directors and ratification by the members/shareholders at every Annual General Meeting of the Company. However, Companies Amendment Act, 2017 read with notification dated 7.5.2018 deleted provision of annual ratification of appointment of Auditors. As such, no resolution for approving the ratification of appointment of Statutory Auditors has been proposed in the notice.

#### **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.

#### **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 3 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 and shares to Investor Education Protection Fund (IEPF) as required under the provision of the Companies Act, 2013 upto and including financial year 2009-10.

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 25, 2017), with the Ministry of Corporate Affairs.

#### 16. Corporate Social Responsibility

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

The Corporate Social Responsibility (CSR) policy has been approved with a philosophy:-

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

Your Company during the year under review has undertaken CSR activities/projects during the year 2017-18 amounting Rs.169.70 lakh (2% of the average net profit of the last three years) in compliance with CSR objectives and Policy of the Company and the total CSR approved amount of Rs.169.70 lakh was spent. The detail report on the CSR contribution made during the year 2017-18 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 SEBI (LODR) Regulation forms part of the Annual Report. The requisite Certificate from the M/s Arun Kumar Gupta & Associates, Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid SEBI (LODR) Regulation is attached to this report as Annexure 4.

##### 17.1 Vigil mechanism

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

##### 17.2 Related party transactions

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

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

##### 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 may be accessed on the Company's website at the link: <http://www.tfcilttd.com> as per 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 Documents placed on the Website**

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

**17.6 Risk Management Policy**

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

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

During the year under review, no significant and/or material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations. Your Company is registered with RBI as NBFC-ND-SI and not registered with any other financial sector regulators. No penalties were levied during FY2017-18 by any regulators.

**17.8 Internal financial controls**

The Company has in place set of standards, processes and structure which enable to implement internal control system and ensure that same are adequate and operating effectively.

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

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

**17.10 Segment Reporting**

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

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

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. March 31, 2018 and the date of the Directors' report i.e. June 29, 2018.

**18. Acknowledgements**

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

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

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

For and on behalf of the Board of Directors

**S.Ravi** **B.M. Gupta**  
**(Non-Executive Chairman)** **(Executive Director)**

Date : 29.6.2018

Place : New Delhi



# Management's Discussion and Analysis

## 1. Business and Economic Environment

India is one of the fastest growing major economies in the world. After registering GDP growth of over 7 per cent for the third year in succession in 2016-17, the Indian economy witnessed disruption in 2017-18 as the Govt pursued its reform agenda aggressively and recorded GDP growth of 6.7 per cent. Even with this lower growth, GDP growth has averaged 7.3 per cent for the period from 2014-15 to 2017-18, which is the highest among the major economies of the world. The growth achieved, in a milieu of lower inflation, improved current account balance and notable reduction in the fiscal deficit to GDP ratio, makes it all the more creditable.

The central government, has introduced several programmes over the past year, including ones to augment the ease of doing business, encourage digitalization, reduce skill insufficiencies, foster entrepreneurship and boost urban development. These deregulation measures, both current as well as foreseeable, have boosted Foreign Direct Investments (FDI), which registered a growth of 8 per cent in 2016-17 over the preceding year. Furthermore, other institutional reforms which are in various stages of execution, such as the Goods and Services Tax (GST), the commencement of NCLT under the Insolvency and Bankruptcy Code (IBC) and the Arbitration and Conciliation Act, are likely to be the significant contributors to the country's economic growth going forward. The acceleration of investment friendly policies, structural reforms and low commodity prices has provided a strong impetus for growth. India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report. Moody's also upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook.

## 2. Industry Structure and Development

Tourism in India has witnessed steady growth over the past few years, aided by the rising purchasing power of the expanding middle class and the shift from foreign to domestic tourism. The Travel & Tourism industry has been a major contributor to the economic growth of India, and is fundamental in creating employment and generating income for both skilled and unskilled labour. The industry contributed 9.4% of the total employment (both direct and indirect) in 2017. The industry is expected to generate 13.45 million jobs across sub-segments such as Restaurants (10.49 million jobs), Hotels (2.3 million jobs) and Travel Agents/Tour Operators (0.66 million jobs). The Ministry of Tourism proposes to help the industry to 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's Travel & Tourism sector was also the fastest growing among the G20 countries, growing by 8.5% in 2017. Govt. has also made serious efforts to boost investments in the tourism sector by allowing 100% FDI through the automatic route. Further, grant of visa

on arrival to nationals of more than 150 nations have contributed significantly in terms of growth of foreign tourist arrivals in the country. The country for the first time witnessed 10 million foreign tourist arrivals in 2017.

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-March 2017, the hotel and tourism sector attracted around US\$ 10.14 billion of FDI according to the data released by Department of Industrial Policy and Promotion (DIPP). As per industry experts, mid-hotel segment in India is expected to receive investments of Rs 6,600 crore (US\$ 990 million) excluding land cost over next five years, with major hotel chains like Marriott, Carlson Rezidor and ITC planning to set up upscale, budget hotels in state capitals and tier-II cities.

While an assortment of influences had repressed the Indian hospitality sector's endeavours to grow from 2009 to 2016, the sector has finally woken up after a longish nap. During 2017, the nationwide occupancy was the highest since 2008, countrywide average room rates (ARRs) clocked a clear and measurable increase over several preceding years and the overall supply-demand scale is now tilted squarely in favour of growth in demand outpacing new supply. The rising purchasing power of the Indian middle class has aided the exponential growth of domestic tourism, and helped in narrowing the gap between lean and peak seasons. Further, today's discerning travellers do not shy away from spending on upscale or luxury hotels in such destinations. The hospitality industry is now in its second year of the much-awaited up-cycle and, it is time for industry stakeholders and investors to grab the opportunity and boost performance. The markets are looking strong; the proposed supply is minimal and, demand is more than likely to continue growing.

## 3. Opportunities and threats

India's travel and tourism industry has huge growth potential. 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. As per HVS Survey-2017, the expected future additional inventory in 11 major markets (across categories-only branded) is lower at around 57,000 rooms for the next 5 years. Therefore, with increasing demand on back of improvement in economic activities and lower room additions, major markets are expected to sustain/improve the ARR's going forward and grow at an average of 4.5% p.a. Also, the occupancy is expected to inch up to an average of about 66% by the end of FY21 compared with 63.4% in FY16. Accordingly, the hotel industry is expected to see an increase in revenue at the rate of about 11-13% CAGR over the 5 year period FY17-FY21.

### GST implications on Hotel industry:

Notably, the much-awaited GST was rolled out on 1<sup>st</sup> July



2017, under which the Indian hospitality industry stands to benefit from homogeneous and uniform taxes, in addition to easy utilization of Input Tax Credit (ITC). Hotels having centralized registration will have to get registered in each state whether providing hotel services on own account or through agent (franchise).

The GST Council decided that the 28% tax would be imposed on hotel rooms with a tariff of Rs 7,500 and above. Rooms with tariffs between Rs 2,500 and Rs 7,500 shall attract 18% tax rate. Under GST regime, the overall tariffs for premium hotels (four star and above) have seen an increase, which has marginally impacted the demand.

#### **Government Initiatives for Tourism Sector Development:**

As per the Travel and Tourism Competitiveness Index released by the World Economic Forum in April 2017, India is ranked 40 among 136 economies across the world, up 12 places since 2015. In the last three years, the government has launched several key projects as well as continued some old projects of the previous government to boost the travel and tourism sector. Among its top initiatives are Swachh Bharat Campaign, electronic visa (E-visa), digital application, and Ude Desh Ka Aam Nagrik Scheme (UDAN) among others. Initiatives such as sanctioning visa on arrival (VoA) and extending electronic travel authorisation (ETA) to more countries, developing a mobile application for tourists and introducing the Incredible India multilingual tourist helpline, have definitely helped in progress and socio-economic growth.

Focus on marketing of destinations in India has been an integral part of the tourism ministry's agenda and it has released several campaigns in international and domestic markets to promote various tourism destinations and products of India to increase foreign tourist arrivals and domestic visits within the country. The Government of India has launched several branding and marketing initiatives such as 'Incredible India' and 'Athiti Devo Bhava', which have provided a focused drive to growth. Moreover, 'Incredible India 2.0' aims at showcasing the country as a spiritual and wellness destination; with this, the country is poised to emerge as an important wellness destination in South Asia. In addition, the liberalization of the visa regime has facilitated entry of foreigners into India for tourism, business and medical purposes. E-visa for nationals of 163 countries has been a game changer and given a big boost to foreign tourist inflow.

Simultaneously, the ministry is also focused on consolidating domestic tourism within India. In February 2017, the state governments of Chhattisgarh, Gujarat, Karnataka, Rajasthan and Uttarakhand signed 86 MoUs worth Rs 12196.7 crore for developing tourist destinations in their respective states. In addition, with government policies such as 'Make in India' and 'Startup India' there's more demand for travel across smaller cities. Further, the latest scheme of UDAN is aimed at giving further impetus to both domestic and inbound tourism and act as a booster for business and leisure travel.

#### **Other Sectors:**

**(a) Infrastructure Sector:** Infrastructure sector is a key

driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. In 2016, India jumped 19 places in World Bank's Logistics Performance Index (LPI) 2016, to rank 35th amongst 160 countries. The Government of India is taking every possible initiative to boost the infrastructure sector and is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport, during 2018.

**(b) NBFC Sector:** Despite sluggish economic growth, slowdown in demand and sharper bank focus on retail loans, NBFCs have been gaining market share across major asset classes. Present in the competing fields of vehicle financing, housing loans, hire purchase, lease and personal loans, NBFCs, have emerged as key financial intermediaries for small-scale and retail sectors thereby forming an essential part of shadow banking in India. NBFCs are the third largest segment in the Indian financial system after commercial banks and insurance companies and account for 9% of the total financial assets. Moreover, small and medium enterprise loans account for 10.5% share in the overall credit of NBFCs in FY17. In case of banks, MSE loans accounted for a mere 5.2%. However, NBFCs cannot access low-cost deposits like their banking peers. As such, NBFCs depend on issuing NCDs, CP and short/medium term bank borrowings for liquidity. As per CARE ratings report, for systemically important NBFCs, the liability mix comprised borrowings by way of NCDs (49%), bank loans (22%) and commercial paper (10%) and balance by way of other current liabilities.

**(c) Real-Estate Sector:** With a general upswing in the economy, the Indian real estate sector has also witnessed growth with rise in the demand for residential spaces in particular. India's real estate market is expected to reach US\$ 180 billion by 2020 from US\$ 126 billion in 2015. The Government of India has been supportive to the real estate sector. The Government has also allowed FDI upto 100 per cent for townships and settlements development projects and real-estate projects within the Special Economic Zone (SEZ). Government of India's Housing for All initiative is expected to bring US\$ 1.3 trillion investments in the housing sector by 2025. Under Union Budget 2018-19, Pradhan Mantri Awas Yojana (PMAY) (Gramin) was allocated Rs 33,000 crore (US\$ 5.10 billion) while the urban programme of the scheme was allocated Rs 31,500 crore (US\$ 4.87 billion). The scheme is expected to push affordable housing and construction in the country and give a boost to the residential real-estate sector. Lately, the sector has seen a major revamp with the implementation of Real Estate Regulation



& Development Act (RERA), which has introduced transparency and accountability for developers and increased consumer confidence especially in distressed ongoing projects. In addition, the GST and the Benami Property Act will also have a major impact on how developers run their businesses. The government has also released draft guidelines for investments by Real Estate Investment Trusts (REITs) in non-residential segment, which is likely to push investment in commercial office space sector.

#### 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 its capital and thereby improve return on equity.

#### 5. Outlook

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

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

#### 6. Risks and concerns:

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

rating agencies' grades has been undertaken. The output of the rating models is used in the decision making. TFCI regularly monitors portfolio distribution in terms of Low Risk, Medium Risk and High Risk categories. TFCI has been managing the following risk effectively:

**Credit risk:** Credit risk occurs when borrower(s), as a counter party, fails to meet its contractual obligations. Credit risk applies not only to loans, but also to other on and off-balance sheet exposure such as guarantees, acceptances and investments in securities. Project lending involves certain inherent risks in a developing economy where long-term macro-economic adjustments towards stability are still in progress. Projects under implementation are prone to time and cost overruns, sometimes due to factors beyond the control of the borrower. Project failure may also occur due to adverse market situations and/or mismanagement. Your Company is making all efforts to identify such risks and factors by constantly reviewing and improving appraisal techniques, sensitivity analysis as well as other factors i.e. Project's ability to withstand changes, expertise and experience of the borrowers to cope with the adverse situations. Your Company continues to give utmost priority to its credit appraisal, intense monitoring and supervision of the projects on a continuous basis.

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

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

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

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

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

Financial Services sector is a knowledge intensive sector where employees' skills form a critical aspect in proper service delivery. The nature of your Company's business requires trained employees. In pursuance of the Company's commitment to develop and retain the best available talent, the Company had been regularly sponsoring the employees for training programmes organized by professional institutions for upgrading the skill and knowledge in different functional areas. Your company has offices in Delhi and Mumbai to provide effective & prompt service to the clients and also for constant follow-up with assisted units in these regions. The work force strength of your Company as on March 31, 2018 was 30.



# 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 10 Directors as on March 31, 2018 including a Managing Director. Out of 9 Non-Executive Directors, 7 were Independent Directors, 1 Nominee Director representing Ministry of Tourism, Govt. of India and 1 represents 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 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, 6 Board Meetings were held on May 29, 2017, July 31, 2017, November 1, 2017, January 9, 2018, February 7, 2018 and March 26, 2018. 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, 2018, 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 Sanjeev Kaushik \$	Non-Executive Chairman	1	N.A	3	-	-	-
2.	Shri S.Ravi	NEID (Chairman)	6	Yes	6	3	8	3
3	Shri Satpal Kumar Arora %	Managing Director	6	Yes	-	-	1	-
4.	Shri A.K.Dogra @	Nominee-NEID	3	No	1	-	2	-
5	Shri Suman Billa	Nominee-NEID	2	No	-	-	-	-
6	Shri Niraj Agarwal	NEID	5	Yes	-	-	1	1
7	Shri S.Sridhar	NEID	2	No	7	6	6	5
8.	Shri S.C.Sekhar	NEID	6	No	1	-	2	1
9.	Shri K.B.Nagendra Murthy	NEID	6	Yes	2	-	3	-
10.	Justice (Retd.) Ms. Rekha Sharma	NEID	1	No	-	-	-	-
11	Shri B.N.Nayak ^	NEID	5	Yes	3	-	2	-
12.	Shri Rudhra Gangadharan #	NEID	4	Yes	-	-	-	-
13	Shri Bapi Munshi *	NEID	2	N.A	2	-	1	-

#appointed w.e.f. 30.6.2017

\$ Resigned w.e.f. 22.9.2017

@ ceased to be director w.e.f.8.12.2017

\*Appointed w.e.f. 1.2.2018

^resigned w.e.f. 26.3.2018

%resigned w.e.f. 15.5.2018

NEID: Non-Executive Director

NEID : Non-Executive Independent Director





Notes:

1. In case of Directors retired/resigned the status of other Directorship and committee membership is on the basis of the last disclosure made by the Director.
2. Committee positions of only two committees namely Audit Committee and Stakeholder Relationship Committee in only Indian Public Limited Company, whether listed or not, have been considered pursuant to the SEBI (LODR) Regulation.

**2. Board Committee Meetings and Procedures**

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

**(A) Audit Committee:**

**i) Constitution and Composition:**

The Audit Committee of the Board comprised of 3 Independent Directors. The Chairman of the Committee was an independent director. The Chairman of the Committee attended the last AGM. The Committee met 5 times on May 6, 2017, May 29, 2017, July 31, 2017, November 1, 2017 and February 7, 2018. The attendance of the members at the meetings was as follows:

Sl. No.	Name of member	Status Attended	No. of Meetings
1.	Shri S.C.Sekhar	Chairman (Independent Director) \$	5
2.	Shri S.Ravi	Independent Director \$	5
3	Shri A.K.Dogra@	Non-Executive Director	4
4.	Shri K.B.N.Murthy *	Independent Director	1

@Nomination withdrawn w.e.f.8.12.2017

\* Appointed as member w.e.f. 9.1.2018

\$Appointed/Ceased to be Chairman of the Committee w.e.f 9.1.2018

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 6 times during the year on May 6, 2017, May 29, 2017, July 13, 2017, January 2, 2018, January 9, 2018 and March 5, 2018. The names of the members and attendance are as follows:

	<b>Name of Member</b>	<b>Status</b>	<b>No. of Meetings Attended</b>
1.	Shri S. Ravi	Chairman (Independent Director)	6
2.	Shri A.K. Dogra@	Non-Executive Director	3
3.	Shri K.B.N. Murthy	Independent Director	6
4.	Shri Rudhra Gangadharan#	Independent Director	1

@Nomination withdrawn w.e.f.8.12.2017

#appointed as member w.e.f. 27.12.2017

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

**(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/ RBI. 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 2017-18:**

- (i) Shri Satpal Kumar Arora, former Managing Director was paid remuneration of Rs.61,16,217/- during FY2017-18 including incentive of Rs.8,45,971/-.
- (ii) Notice period for termination of appointment of Managing Director was one months on either side or one months' pay in lieu thereof.
- (iii) No severance pay was payable on termination of appointment.
- (v) No Stock Appreciation Rights (SARs) were 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)	3,29,200
Shri S.Ravi	4,34,500
Shri S.Sridhar	2,36,000
Shri S.C.Sekhar	3,64,600
Shri K.B.Nagendra Murthy	4,00,000
Justice (Retd.) Ms. Rekha Sharma	1,29,200
Shri Bapi Munshi	94,400
Shri Rudhra Gangadharan	1,77,000

During the year under report, the Company has not paid any remuneration to Non-Executive Directors except by way of Sitting Fee which was paid Rs.20,000 and Rs.10,000 (plus service tax) per meeting to Non-Executive Directors (except Government Servants) for attending the meetings of Board and its Committees respectively. However, the Board of Directors revised the sitting fee w.e.f. January 9, 2018 to Rs.40,000 and Rs.20,000 (plus 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, 2018:**

None of the Executive/Non-Executive Director (as on 31st March, 2018) held shares/convertible Instruments except Shri S.C. Sekhar who holds 500 equity shares of the company

**(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 2017-2018, 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	Former 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, 304 complaints were received from the shareholders and were replied/solved to the satisfaction of the shareholders. As on March 31, 2018, 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 Managing Director and 3 Non-Executive Directors. The Chairman of the Committee is an Independent Director. The Committee met 3 times during the year on May 29, 2017, November 1, 2017 and March 26, 2018. The names of the members and attendance are as under:

Name of Member	Status	No. of Meetings Attended
Shri S.Sridhar, Chairman	Independent Director	1
Shri Satpal Kumar Arora	Former Managing Director	3
Shri Suman Billa	Non-Executive Director	3
Shri B.N. Nayak^	Non-Executive Director	2

^resigned w.e.f. 26.3.2018

ii) **Terms of reference:**

- 1. formulate and recommend to the Board, a Corporate Social Responsibility Policy



which shall indicate the activities to be undertaken by the company as specified in Schedule VII;

2. recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
3. monitor the Corporate Social Responsibility Policy of the company from time to time

**(E) Risk Management Committee**

The Risk Management Committee was constituted adhering to the requirements of the Companies Act, 2013 and the SEBI (LODR) Regulations. The Committee’s prime responsibility is to implement and monitor the risk management plan and policy of the Company. The Committee’s constitution meets with the requirements of the SEBI (LODR) Regulations. The 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. Three meetings of the Committee were held during the year on 29.5.2017, 1.11.2017 and 9.1.2018 detailed as under:

Name of Member	Status	No. of Meetings Attended
Shri S.Ravi (Chairman)	Independent Director	3
Shri Satpal Kumar Arora	Former Managing Director	3
Shri B.N.Nayak	Non-Executive Director <sup>^</sup>	3
Shri Bapi Munshi	Independent Director@	N.A
Shri B.M.Gupta	Executive Director	3

@appointed w.e.f. February 1, 2018

<sup>^</sup>resigned w.e.f. 26.3.2018

**(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 Non-Independent 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 2017-18.

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

- i. reviewed the performance of non-independent directors and the Board as a whole;
- ii. reviewed the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. assessed 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/Manager, CFO and Company Secretary. During the year, the Committee had 26 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
2016-17	September 25, 2017	3.00 p.m.	IFCI Tower, 61 Nehru Place, New Delhi
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



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

AGM Date	Relevant provisions of the Companies Act 2013	Particulars of Special
25.9.2017	Section 42,71	Issue of Bonds/ Debentures
	Section 149,152	Re-appointment of Shri S.Ravi, Independent Director
	Section 149,152	Re-appointment of Shri S.Sridhar, Independent Director
28.9.2016	Section 42,71	Issue of Bonds/ Debentures
21.9.2015	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 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 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 SEBI (LODR) Regulations.**

**(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 August 10, 2018 at 11.00 a.m. at IFCI Tower, 61 Nehru Place, New Delhi 110019.

**9.2 Financial calendar (tentative)**

Financial Year: April 1, 2018 to March 31, 2019

Results for the quarter ending:

- June 30, 2018 - July/August 2018
- September 30, 2018 - October/November 2018
- December 31, 2018 - January/February 2019
- March 31, 2019 - April/May 2019
- Annual General Meeting - September, 2019

**9.3 Date of Book Closure**

August 4, 2018 to August 10, 2018

**9.4 Dividend Payment**

Credit / dispatched between September 1, 2018 to September 8, 2018.

**9.5 Listing on Stock Exchanges**

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

**9.6 Stock-Market price data for the year 2017-2018**

**TFCI Share Price (in Rs.)**

Month & Year	BSE		NSE	
	High	Low	High	Low
Apr-17	95.25	77.45	95.40	77.90
May-17	117.45	93.10	117.35	93.15
Jun-17	109.00	93.45	108.50	93.50
Jul-17	110.45	99.00	110.65	98.60
Aug-17	121.50	86.95	121.75	86.10
Sep-17	176.20	114.85	176.30	114.50
Oct-17	154.00	131.70	154.05	131.70
Nov-17	168.50	134.45	168.75	134.50
Dec-17	168.35	147.45	168.40	148.00
Jan-18	182.00	153.00	182.25	153.10
Feb-18	171.40	144.00	171.90	145.00
Mar-18	163.45	145.00	163.35	149.00

Stock code: BSE: 526650, NSE: TFCILTD

Demat ISIN code: INE305A01015

**9.7 Performance in comparison to broad-based indices:**

TFCI's share-price performance relative to NSE Nifty and BSE sensex during the year 2017-18

	(% change)	(% change)	(% change)
	Index	TFCI's share Price	TFCI relative to index
BSE Sensex	+11.30%	+84.46%	+73.16%
NSE Nifty	+10.24%	+84.80%	+74.56%

**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 SEBI (LODR) Regulations certificates on half year basis have been issued by a Company Secretary-In-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in Practice for timely dematerialization of the shares of the Company and for conducting Secretarial Audit on a quarterly basis for re-conciliation of the share capital of the Company.

**9.10 Distribution of Shareholding as on March 31, 2018**

Range	No. of Shares	No of Shareholders	% Shares	% Holders
1-500	6934858	54461	8.59	87.65
501-1000	2771879	3252	3.43	5.23
1001-2000	2892252	1839	3.58	2.96
2001-3000	2286397	864	2.83	1.39
3001-4000	1254248	344	1.55	0.55
4001-5000	1719317	360	2.13	0.58
5001-10000	3871036	502	4.80	0.81
10001-50000	8990527	407	11.14	0.66
50001-100000	3094194	43	3.83	0.07
And Above	46902040	62	58.11	0.10
<b>Total</b>	<b>80716748</b>	<b>62134</b>		<b>100.00</b>



**9.11 Categories of Shareholders as on March 31, 2018**

Name of Shareholder	No. of share	%
<b>I. Promoters/Promoters Group</b>		
1. IFCI Ltd.	16,87,909	2.09
2. Life Insurance Corporation of India	46,13,180	5.71
3. The Oriental Insurance Co. Ltd	8,61,527	1.07
<b>Total Promoters Holding</b>	<b>71,62,616</b>	<b>8.87</b>
<b>II. Non Promoters Shareholders</b>		
1. Mutual Fund	5,69,218	0.71
2. other Banks/Financial institutions	41,412	0.05
3. Foreign Portfolio Investors	86,13,487	10.67
4. Govt of India-IEPF Account	6,22,161	0.77
5. Bodies Corporates	2,53,59,922	31.42
6. Individual Shareholding (General Public)	3,43,24,906	42.53
7. Trust & Cooperative Society	20,150	0.02
8. NRIs	40,02,876	4.96
<b>Total Public shareholding</b>	<b>7,35,54,132</b>	<b>91.13</b>
<b>Grand Total</b>	<b>8,07,16,748</b>	<b>100.00</b>
<b>A. Person Acting in Concert holding more than 1% shares</b>		
	<b>No. of share</b>	<b>%</b>
(i) Redkite Capital Pvt. Ltd.	10709446	13.27
(ii) India Opportunities III Pte. Ltd	3228000	4.00
(iii) Koppara Sajeev Thomas	2050000	2.54
(iv) Centrum Capital Ltd	737000	0.91
<b>Total</b>	<b>16724446</b>	<b>20.72</b>

**9.12 Dematerialization of Shares**

Sl. No.	Electronic/physical	Mode of holding %
1	NSDL	62.71
2	CDSL	35.05
3	Physical	2.24
	<b>TOTAL</b>	<b>100.00</b>

Trading in Equity Shares of the Company is permitted only in dematerialized form. As on March 31, 2018, 97.76% of Company's total equity shares representing 7,89,06,821 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: 9<sup>th</sup> 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: helpdeskdelhi@mcsregistrars.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, 2018 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 SEBI (LODR) Regulations. The same is attached to the Directors' Report forming part of the Annual Report.

**12. Management Discussion and Analysis**

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

**13. Managing Director/CFO Certification**

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of SEBI (LODR) Regulation. The Managing Director and the Chief Financial Officer of the Company also give quarterly certification on financial results while placing financial results before the Board in terms of the SEBI (LODR) Regulation.



**Annexure 1**

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:

<b>Sr. No.</b>	<b>Requirements</b>	<b>Disclosure</b>
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 1.89 : 1
2	The percentage increase* in remuneration of each director, CFO, CEO, CS in the financial year	Shri S.P.Arora, MD 19.61% Shri Anoop Bali, CFO 2.00% Shri Sanjay Ahuja, CS 3.64%
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 11.2%. The calculation of 11.2% increase in Median Remuneration is done based on comparable employees.
4	The number of permanent employees on the rolls of the Company	There were 30 employees as on March 31, 2018
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 2017-18, KMPs were paid remuneration approximately 2.67% of the net profit for the year.
7	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	The Market capitalization of the Company has increased from Rs.663.89 Crore as of March 31, 2017 to Rs.1226.90 Crore as of March 31, 2018. Over the same period, the price to earnings ratio moved from 9.42 to 16.29. TFCI stock price as at March 31, 2018 has increased by 84.80% to Rs.152 over the last year 31.3.2017 price of Rs.82.25
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 Net Profit for FY 2017-18 MD 0.81% CFO 1.11% CS 0.75%
10	The key parameters for any variable component of remuneration availed by the directors	During the year under report, the Company has not paid any remuneration to Non-Executive Directors except by way of Sitting Fee which was paid Rs.20,000 and Rs.10,000 (plus tax) per meeting to Non-Executive Directors (except Government Servants) for attending the meetings of Board and its Committees respectively. However, the Board of Directors revised the sitting fee w.e.f. January 9, 2018 to Rs.40,000 and Rs.20,000 (plus tax) per meeting for attending the meetings of Board and its Committees respectively.





Sr. No.	Requirements	Disclosure
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 is one Top Management Executive who is not director but received remuneration* in excess of the remuneration of Managing Director during the year. 1. Shri B.M.Gupta, Executive Director 1.03 : 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.	<p>Name of every employee of the company, who:</p> <p>(i) If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore two lakh rupees;</p> <p>(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 Eight lakh Fifty Thousand rupees per month including;</p> <p>(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.</p> <p><b>None of the employee received remuneration in excess of the limit prescribed above.</b></p>	

**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).
- (3) \*For the purpose of calculation of percentage increase in remuneration, the arrears paid due to implementation of revised pay scales w.e.f. 1.11.2012 has been adjusted in the respective financial years, LFC which is payable in a block of 2 years and medical claims have been excluded.



**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.tfcilt.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 29, 2017, November 1, 2017 and March 26, 2018. The attendance of the members during 2017-18 was as under:

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

\* (cease to be director w.e.f. 26.3.2018)

3. Average Net Profit of the company for last 3 financial years: Rs.84.85 crore

4. Prescribed CSR expenditure (2% of amount) **Rs.169.70 lakh**

5. Details of CSR activities/projects undertaken during the year:

- a) total amount to be spent for Financial Year: **Rs.169.70 lakh**  
b) amount unspent, if any: **Nil**



**TOURISM FINANCE CORPORATION OF INDIA LIMITED**

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/program was undertaken	Amount outlay (budget) project/ programme wise (Rs. in lakh)	Amount spent on the project/ program (Rs. in lakh Sub-heads: 1.Direct expen. on project/ program 2.Overheads:	Cumulative spend upto to the reporting period (Rs. in lakh)	Amount spent: Direct/ through implmentng agency (Rs. in lakh)
1.	Contribution for providing Employment Oriented Skill Training Programs (EOSTP) for unemployed youths	Education	Contribution to Institute of Leadership Development (ILD), Jaipur for providing Employment Oriented Skill Training Programs (EOSTP) for unemployed youths in the Food and Beverage Services in Tourism and Hospitality Sector.	25	25	25	Through Implementing Agency
2.	Contribute for R E D E M I A L EDUCATION AT G O V E R N M E N T SCHOOL at Sangam Vihar, New Delhi.	Education	Contribute to KHUSHII for REDEMIAL EDUCATION AT GOVERNMENT SCHOOL at Sangam Vihar, New Delhi.	8	8	8	Through Implementing Agency
3	Contribution for mid day meal of students	Education	Contribution to AKSHAYA PATRA FOUNDATION for mid day meal of students at a cost of Rs.950 per child per annum studying in Government School around Lucknow.	8	8	8	Through Implementing Agency
4	Contribution for holding medical health camp for senior citizen	Health	Contribution for holding medical health camp for senior citizen to HOPE EK A.S.H.A (Regd.) a voluntary Research Orgnaisation dedicated to care of Alzheimer Disease (Memory loss) Patients & their Caregivers established in 2001 through its committed team of medical professionals and volunteer.	0.75	0.75	0.75	Through Implementing Agency
5	Contribute towards contribution for providing water cooler alognwith required RO system	safe drinking water	Contribute towards contribution for providing water cooler alognwith required RO system to "Mukherjee Memorial School Shahdra Society" an education society registered under the Societies Registration Act XXI of 1860.	0.75	0.75	0.75	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	127.20	127.20	127.20	Direct
				<b>169.70</b>	<b>169.70</b>	<b>169.70</b>	

**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 : June 29, 2018

Place : New Delhi

Sd/-  
(Director)

Sd/-  
(Chairman of CSR Committee)



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31<sup>st</sup> March 2018 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:-

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
1	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 31.03.2017					No of Shares held at the end of the year 31.03.2018					percent- age Change during the Years
		Number of shareholders	Total number of shares	Number of shares held in Physical form	Number of shares held in Dematerialised form	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	
(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	5	34962417	0	34962417	43.32	3	7162616	0	7162616	8.87	-34.45
(e)	Any Other (specify)	0	0	0	0	0.00	0	0	0	0	0.00	0.00
	Sub-Total (A)(1)	5	34962417	0	34962417	43.32	3	7162616	0	7162616	8.87	-34.45
(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
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	5	34962417	0	34962417	43.32	3	7162616	0	7162616	8.87	-34.45



Category code	Category of shareholder	No of Shares held at the beginning of the year 31.03.2017					No of Shares held at the end of the year 31.03.2018					percent- age Change during the Years
		Number of shareholders	Total number of shares	Number of shares held in Physical form	Number of shares held in Dematerialised form	Total share-holding as a percentage of total number of shares As a percentage of (A+B)	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 As a percentage of (A+B)	
(B)	Public shareholding											0.00
(1)	Institutions											0.00
(a)	Mutual Funds	5	363112	3200	359912	0.45	4	566718	2500	569218	0.71	+26
(b)	Financial Institutions/ Banks	5	9506	1600	7906	0.01	7	39812	1600	41412	0.05	+04
(c)	Central Government/ State Government(s)/ (IEPFA)	0	0	0	0	0.00	1	622161	0	622161	0.77	+77
(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	6	1725202	0	1725202	2.14	24	8613487	0	8613487	10.67	+8.53
(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)	16	2097820	4800	2093020	2.60	36	9842178	4100	9846278	12.20	+9.60
(2)	Non-institutions											
(a)	Bodies Corporate	1116	12244106	81401	12162705	15.17	896	25278221	76701	25354922	31.41	16.24
(b)	Individuals -											
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	66243	23642242	2399739	21242503	29.29	60246	19933916	1729126	21663042	26.84	-2.45
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	122	6958309	0	6958309	8.62	144	12661864	0	12661864	15.69	+7.07
(c)	NBFC Registered with RBI	2	4750	0	4750	0.01	1	5000	0	5000	0.01	0.00
(d)	Qualified Foreign Investor	0	0	0	0	0.00	0	0	0	0	0.00	0.00
(e)	Any Other											
I	Trust & Foundations	2	2906	0	2906	0.01	1	150	0	150	0.01	0.00
ii	Cooperative Societies	0	0	0	0	0.00	1	20000	0	20000	0.02	0.02
iii	Educational Institutions	0	0	0	0	0.00	0	0	0	0	0.00	0.00
iv	Non Resident Individual	450	804198	0	804198	0.99	806	4002876	0	4002876	4.96	3.97
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)	67935	43656511	2481140	41175371	54.09	62095	61902027	1805827	63707854	78.93	24.84
	Total Public Shareholding (B)= (B)(1)+(B)(2)	67951	45754331	2485940	43268391	56.69	62131	71744205	1809927	73554132	91.13	34.45
	TOTAL (A)+(B)	67956	80716748	2485940	78230808	100	62134	78906821	1809927	80716748	100	0



Category code	Category of shareholder	No of Shares held at the beginning of the year 31.03.2017					No of Shares held at the end of the year 31.03.2018					percent- age Change during the Years
		Number of shareholders	Total number of shares	Number of shares held in Physical form	Number of shares held in Dematerialised form	Total shareholding as a percentage of total number of shares As a percentage of (A+B)	Number of shareholders	Number of shares held in Dematerialised form	Number of shares held in Physical form	Total number of shares	Total shareholding as a percentage of total number of shares As a percentage of (A+B)	
(C)	Shares held by Custodians and against which Depository Receipts have been issued			0				0			0.00	
(1)	Promoter and Promoter Group	0	0	0	0	0.00	0	0	0	0	0.00	0.00
(2)	Public	0	0	0	0	0.00	0	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	67956	80716748	2485940	78230808	100	67956	80716748	2485940	78230808	100	0

**(II) Shareholding of Promoters**

Sl No		Shareholding at the beginning of the year (1.4.2017)			Cumulative Shareholding during the year (1.4.2017 to 31.3.2018)			% 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.	23,699,684	29.36	NIL	1,687,909	2.09	22,011,775	-27.27
2.	Life Insurance Corporation of India	54,13,180	6.71	NIL	4,613,180	5.71	800,000	-1.00
3	Bank of India	37,90,024	4.70	NIL	-	0	3,790,024	-4.7
4	United India Insurance Co. Ltd.	11,98,002	1.48	NIL	-	0	1,198,002	-1.48
5.	The Oriental Insurance Co. Ltd	8,61,527	1.07	NIL	861,527	1.07	0	0
	<b>Total</b>	<b>34,962,417</b>	<b>43.32</b>		<b>7,162,616</b>	<b>8.87</b>	<b>27,799,801</b>	<b>-34.45</b>

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

S. No	Name	Shareholding		Date (YY/MM/DD)	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-17 to 31-03-18)	
		No of Shares at the Beginning (31-03-17)/ end of 31-03-2018	% of total shares of the Company				Shares	% of total shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA	5413180	6.71	20170331				
				20171103	-250000	Sale	5163180	6.4
				20171110	-266466	Sale	4896714	6.07
				20171117	-269220	Sale	4627494	5.73
				20171124	-14314	Sale	4613180	5.71
		4613180	5.72	20180331				
2	IFCI LTD	23699684	29.36	20170331				
				20170407	-739710	Sale	22959974	28.45
				20170414	-564651	Sale	22395323	27.75
				20170421	-1335394	Sale	21059929	26.09
				20170929	-19372020	Sale	1687909	2.09
		1687909	2.09	20180331				



S. No	Name	Shareholding		Date (YY/MM/DD)	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-17 to 31-03-18)	
		No of Shares at the Beginning (31-03-17)/ end of 31-03-2018	% of total shares of the Company				Shares	% of total shares of the Company
3	THE ORIENTAL INSURANCE COMPANY LIMITED	861527	1.07	20170331				
		861527	1.07	20180331	NIL	NIL		
4	BANK OF INDIA	3790024	4.7	20170331				
				20170623	-3790024	Sale	0	0
		0	0	20180331				
5	UNITED INDIA INSURANCE COMPANY LIMITED	1198002	1.48	20170331				
				20170609	-111761	Sale	1086241	1.35
				20170616	-154677	Sale	931564	1.15
				20170707	-45720	Sale	885844	1.1
				20170714	-180841	Sale	705003	0.87
				20170721	-87643	Sale	617360	0.76
				20170804	-25000	Sale	592360	0.73
				20170811	-100000	Sale	492360	0.61
				20170818	-10000	Sale	482360	0.6
				20170825	-55526	Sale	426834	0.53
				20170901	-255354	Sale	171480	0.21
				20170908	-146523	Sale	24957	0.03
				20171006	-24957	Sale	0	0
		0	0	20180331				
	<b>Total Promoters Holding At the beginning of the year</b>	<b>34962417</b>	<b>43.32</b>					
	<b>At the end of the year 31.3.2018</b>							
1.	IFCI Ltd.						1,687,909	2.09
2.	Life Insurance Corporation of India						4,613,180	5.71
3.	The Oriental Insurance Co. Ltd						861,527	1.07
	<b>Total Promoters Holding at the end of the Year</b>						<b>7,162,616</b>	<b>8.87</b>

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):  
Detail of Top 10 Shareholders as on 31-03-17 & 31-03-18 and their transactions (Other Than Promoters)

S.No	Name	Shareholding		Date (YY/MM/DD)	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-17 to 31-03-18)	
		No of Shares at the Beginning (31-03-17)/ end of the Year (31-03-18)	% of total shares of the Company				Shares	% of total shares of the Company
1	Redkite Capital Private Limited	0	0	20170331				
				20170929	5970316	Purchase	5970316	7.4
				20171020	750000	Purchase	6720316	8.33
				20180112	500000	Purchase	7220316	8.95
				20180119	2799130	Purchase	10019446	12.41
				20180216	690000	Purchase	10709446	13.27
		10709446	13.27	20180331				
2	India Opportunities Pte. Limited	0	0	20170331				
				20170929	3228000	Purchase	3228000	4
		3228000	4	20180331				



**TOURISM FINANCE CORPORATION OF INDIA LIMITED**

S.No	Name	Shareholding		Date (YY/MM/DD)	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-17 to 31-03-18)	
		No of Shares at the Beginning (31-03-17)/ end of the Year (31-03-18)	% of total shares of the Company				Shares	% of total shares of the Company
3	Rajasthan Global Securities Private Limited	0	0	20170331				
				20171124	501317	Purchase	501317	0.62
				20171201	577273	Purchase	1078590	1.34
				20171208	595568	Purchase	1674158	2.07
				20171215	236307	Purchase	1910465	2.37
				20180105	139781	Purchase	2050246	2.54
				20180119	38423	Purchase	2088669	2.59
				20180126	225315	Purchase	2313984	2.87
				20180202	230205	Purchase	2544189	3.15
				20180209	58888	Purchase	2603077	3.23
				20180216	460671	Purchase	3063748	3.8
				20180223	105490	Purchase	3169238	3.93
				20180302	88121	Purchase	3257359	4.04
				20180309	197367	Purchase	3454726	4.28
				20180316	-51486	Sale	3403240	4.22
				20180323	-68067	Sale	3335173	4.13
		3045899	3.77	20180331	-289274	Sale		
4	Nikita Aditya Mundra	1400000	1.73	20170331				
				20170602	1382000	Purchase	2782000	3.45
				20170714	174469	Purchase	2956469	3.66
		2956469	3.66	20180331				
5	Koppara Sajeeve Thomas	0	0	20170331				
				20170929	2050000	Purchase	2050000	2.54
		2050000	2.54	20180331				
6	Prime India Opportunity Ltd	1006702	1.25	20170331				
				20170407	1285833	Purchase	2292535	2.84
				20170414	100000	Purchase	2392535	2.96
				20170505	400000	Purchase	2792535	3.46
				20170623	115000	Purchase	2907535	3.6
				20170825	13096	Purchase	2920631	3.62
				20170901	5333	Purchase	2925964	3.63
				20170929	-793766	Sale	2132198	2.64
				20171027	20000	Purchase	2152198	2.67
				20180112	-150000	Sale	2002198	2.48
				20180302	10000	Purchase	2012198	2.49
				20180316	-53856	Sale	1958342	2.43
		1958342	2.43	20180331				
7	Polus Global Fund	0	0	20170331				
				20171013	400000	Purchase	400000	0.5
				20171103	456972	Purchase	856972	1.06
				20171110	367511	Purchase	1224483	1.52
				20171117	25517	Purchase	1250000	1.55
				20180202	-200000	Sale	1050000	1.3
		1050000	1.3	20180331				
8	Indian Syntans Investments (P) Ltd	1172599	1.45	20170331				
				20171201	-90000	Sale	1082599	1.34
				20180112	-18000	Sale	1064599	1.32
				20180216	-64599	Sale	1000000	1.24





S.No	Name	Shareholding		Date (YY/MM/DD)	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-17 to 31-03-18)	
		No of Shares at the Beginning (31-03-17)/ end of the Year (31-03-18)	% of total shares of the Company				Shares	% of total shares of the Company
		1000000	1.24	20180331				
9	Nomura Singapore Limited	350000	0.43	20170331				
				20170407	37057	Purchase	387057	0.48
				20170414	300000	Purchase	687057	0.85
				20170505	500000	Purchase	1187057	1.47
				20170512	100000	Purchase	1287057	1.59
				20170519	238426	Purchase	1525483	1.89
				20170714	53212	Purchase	1578695	1.96
				20170721	94832	Purchase	1673527	2.07
				20170728	50000	Purchase	1723527	2.14
				20170915	-300000	Sale	1423527	1.76
				20170922	-1087057	Sale	336470	0.42
				20171006	-289050	Sale	47420	0.06
				20171013	58226	Purchase	105646	0.13
				20171020	10011	Purchase	115657	0.14
				20171110	73515	Purchase	189172	0.23
				20171117	135330	Purchase	324502	0.4
				20171124	-75000	Sale	249502	0.31
				20180126	100003	Purchase	349505	0.43
				20180202	266134	Purchase	615639	0.76
				20180209	268014	Purchase	883653	1.09
				20180216	-149417	Sale	734236	0.91
				20180223	-150000	Sale	584236	0.72
				20180302	-25000	Sale	559236	0.69
				20180309	58343	Purchase	617579	0.77
				20180316	99099	Purchase	716678	0.89
				20180323	150000	Purchase	866678	1.07
		964429	1.19	20180331	97751	Purchase		
10	Tradelink Exim India Pvt Ltd	234000	0.29	20170331				
				20170602	-117000	Sale	117000	0.15
				20170707	117000	Purchase	234000	0.29
				20170728	216000	Purchase	450000	0.56
				20170811	180000	Purchase	630000	0.78
				20170818	189000	Purchase	819000	1.01
		819000	1.01	20180331				

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 1.4.2017		Cumulative Shareholding during the year 1.4.2017 to 31.3.2018/end of the year 31.3.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Shri Sanjeev Kaushik, IAS Non- Executive Chairman (since resigned)	Nil	Nil	N.A	N.A
2.	Shri S.P.Arora Managing Director (since resigned)	Nil	Nil	Nil	Nil
3	Shri A.K.Dogra (Nomination withdrawn)	Nil	Nil	Nil	Nil
4.	Shri B.N.Nayak (since resigned)	Nil	Nil	Nil	Nil
5	Shri Suman Billa	Nil	Nil	Nil	Nil
6	Shri Niraj Agarwal	Nil	Nil	Nil	Nil
7	Shri S.Ravi	Nil	Nil	Nil	Nil



Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 1.4.2017		Cumulative Shareholding during the year 1.4.2017 to 31.3.2018/end of the year 31.3.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8.	Shri S.Sridhar	Nil	Nil	Nil	Nil
9.	Shri Subrahmoneyan Chandra Sekhar	500	0.00	500	0.00
10.	Dr. K B Nagendra Murthy	Nil	Nil	Nil	Nil
11	Justice (Retd.) Ms. Rekha Sharma	Nil	Nil	Nil	Nil
12.	Shri Rudhra Gangadharan	Nil	Nil	Nil	Nil
13	Shri Bapi Munshi	Nil	Nil	Nil	Nil
14	Shri Anoop Bali, CFO	Nil	Nil	Nil	Nil
15	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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	268.46	781.50	NIL	1049.96
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	3.77	14.91	NIL	18.68
<b>Total (i+ii+iii)</b>	<b>272.23</b>	<b>796.41</b>	<b>NIL</b>	<b>1068.64</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	290.79	75.00	NIL	365.79
• Reduction	108.72	NIL	NIL	108.72
<b>Net Change</b>	<b>182.07</b>	<b>75.00</b>	<b>NIL</b>	<b>257.07</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	449.76	856.50	NIL	1306.26
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	3.85	15.60	NIL	19.45
<b>Total (i+ii+iii)</b>	<b>453.61</b>	<b>872.10</b>	<b>NIL</b>	<b>1325.71</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sl. No.	Particulars of Remuneration	(Amount in Rs.)
		Shri S.P.Arora, Managing Director
<b>1</b>	<b>Gross salary</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act 1961	3,403,656
	(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	NIL
<b>2</b>	<b>Stock Option</b>	NIL
<b>3</b>	<b>Sweat Equity</b>	NIL
<b>4</b>	. Commission	NIL
	- as % of profit	NIL
	- others specify...	NIL
<b>5</b>	Others	845,971
	- Medical	27,985
	- LFC	640,000
	- Leave Encashment	-
	- Household Reimb.	121,200
	- Arrears	697,817
	- Contribution to PF	374,988
	Total (A)	6,116,217
	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 Rudhra Gagadharan	Shri S. Ravi	Shri S. Sridhar	Shri S.C. Sekhar	Shri K.B Nagendra Murthy	Shri Bapi Munshi	
1. Independent Directors								
• Fee for attending board / committee meetings	1,29,200	1,77,000	4,34,500	2,36,000	3,64,600	4,00,000	94,400	18,35,700
• Commission	NIL	NIL	NIL	NIL	NIL			
• Others please specify	NIL	NIL	NIL	NIL	NIL			
Total (1)	1,29,200	1,77,000	4,34,500	2,36,000	3,64,600	4,00,000	94,400	18,35,700
2. Other Non-Executive Directors	ShriNiraj Agarwal (LIC of India)							
• Fee for attending board / committee meetings	3,29,200							3,29,200
• Commission	NIL							
• Others please specify	NIL							
Total (2)	3,29,200							3,29,200
Total (B)=(1+2)								21,64,900
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	3,163,796	2,381,819	5,545,615
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	43,224	84,331	127,555
	(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	494,893	291,390	786,283
	- Medical	130,306	121,219	251,525
	- LFC	760,000	432,000	1,192,000
	- Leave Encashment	133,477	81,757	215,234
	- Household Reimb.	96,000	72,000	1,68,000
	- Arrears	2,953,557	1,835,564	4,789,121
	- Contribution to PF	549,124	383,358	932,482
	<b>Total</b>	<b>83,24,377</b>	<b>56,83,438</b>	<b>14,007,815</b>
	Ceiling as per the Act	Not Applicable		



**D REMUNERATION TO TOP TEN EMPLOYEES**

Sl. No	Particulars of Remuneration	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 Parveen Kumar Ahuja	Shri A. Balaji	Total
1	Gross Salary											
	(A) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	34,06,272	31,63,796	27,51,200	23,12,954	23,67,269	25,86,481	23,11,945	23,81,819	21,02,648	19,99,373	2,53,83,757
	(B) Value of perquisites U/S 17(2) Income-Tax Act, 1961	69,600	43,224	79,231	82,979	71,642	69,539	2,62,206	84,331	71,512	85,133	9,19,397
	(C) Profits in lieu of salary U/S 17(3) Income-Tax Act, 1961	-	-						-		-	
2	Stock option	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil	Nil
3	Sweat equity	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil	Nil
4	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil	Nil
	- As % of Profit											
	- Others, Specify...											
5	Others - PLI	6,73,017	4,94,893	4,04,186	3,14,889	2,91,390	2,97,970	3,06,430	2,91,390	2,17,838	2,13,608	35,05,611
	- Medical	1,19,019	1,30,306	27,662	-	44,060	-	18,324	1,21,219	59,618	85,574	6,05,782
	- LFC	4,70,000	7,60,000	4,32,000	3,21,000	4,32,000	4,32,000	4,32,000	4,32,000	3,24,000	4,05,250	44,40,250
	- Leave Encashment	1,45,977	1,33,477	1,11,857	78,290	1,00,698	1,05,887	-	81,757	70,780	81,093	9,09,816
	- Household Reimb.	96,000	96,000	72,000	72,000	72,000	72,000	72,000	72,000	48,000	48,000	7,20,000
	- Arrears	35,51,658	29,53,557	20,07,224	14,24,851	18,66,574	24,01,879	16,85,141	18,35,564	15,13,627	14,78,296	2,07,18,371
	- Contribution to PF	6,43,969	5,49,124	7,05,749	3,21,754	6,13,873	7,06,977	6,29,710	3,83,358	3,21,717	3,09,811	51,86,042
	Total (A)	91,75,512	83,24,377	65,91,109	49,28,717	58,59,506	66,72,733	57,17,756	56,83,438	47,29,740	47,06,138	6,23,89,026
	Ceiling as per the act	N.A										

**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)
<b>A.COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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 31<sup>st</sup> March, 2018**  
*[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 31<sup>st</sup> March, 2018**

To,  
 The Members,  
**Tourism Finance Corporation of India Limited**  
 4<sup>th</sup> 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 **31<sup>st</sup> March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Tourism Finance Corporation of India Limited for the financial year ended on 31<sup>st</sup> March, 2018 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) Appointment of Shri S. Ravi as an Independent Director of the Company to hold office for second term upto 5 (Five) consecutive years commencing from April 1, 2017
- (ii) Appointment of Shri S. Sridhar, as an Independent Director of the Company to hold office for second term upto 5 (Five) consecutive years commencing from May 27, 2017.
- (iii) 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: 26.05.2018



## EXECUTIVE DIRECTOR (ED) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, B.M. Gupta, Executive Director (ED) 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 24, 2018

**(Anoop Bali)**

Chief Financial Officer

**(B. M. Gupta)**

Executive 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, 2018.

Place : New Delhi

Date : May 26, 2018

**B.M. Gupta**

Executive 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, 2018, 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

(ARUN KUMAR GUPTA)

Place : New Delhi

Date : 26.5.2018

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	2	8500	0	0	0	0	5	29600	7	38100
	<b>93</b>	<b>194975</b>	<b>17</b>	<b>18476</b>	<b>17</b>	<b>10408</b>	<b>44</b>	<b>108479</b>	<b>171</b>	<b>332338</b>
4 STAR HOTEL	5	18430	0	0	0	0	4	11000	9	29430
	<b>59</b>	<b>106376</b>	<b>8</b>	<b>11857</b>	<b>6</b>	<b>2395</b>	<b>12</b>	<b>23990</b>	<b>85</b>	<b>144618</b>
3 STAR HOTEL	7	12950	0	2475	0	300	1	1150	11	16575
	<b>278</b>	<b>191422</b>	<b>27</b>	<b>19862</b>	<b>14</b>	<b>5283</b>	<b>46</b>	<b>34507</b>	<b>365</b>	<b>251074</b>
2 STAR HOTEL	0	0	0	0	0	0	0	0	0	0
	<b>26</b>	<b>12568</b>	<b>1</b>	<b>388</b>	<b>1</b>	<b>90</b>	<b>2</b>	<b>323</b>	<b>30</b>	<b>13369</b>
HERITAGE	0	0	0	0	0	0	0	0	0	0
	<b>17</b>	<b>3764</b>	<b>3</b>	<b>1030</b>	<b>2</b>	<b>425</b>	<b>2</b>	<b>586</b>	<b>24</b>	<b>5805</b>
UNCLASSIFIED	1	1500	0	0	0	0	2	7425	3	8925
	<b>3</b>	<b>2710</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>24</b>	<b>3</b>	<b>7481</b>	<b>7</b>	<b>10215</b>
AMUSEMENT PARK/ SHOPPING COMPLEX-CUM- ENT. CENTRE/WATER PARK/ MULTIPLEX/ACTIVITY CENTRE/ INTIGRATED/ ROPEWAY/CONVENTION CENTRE	0	0	0	0	0	0	0	0	0	0
	<b>35</b>	<b>35483</b>	<b>5</b>	<b>2490</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>6917</b>	<b>45</b>	<b>44890</b>
RESTAURANT	0	0	0	0	0	400	0	0	0	0
	<b>17</b>	<b>6174</b>	<b>3</b>	<b>1835</b>	<b>4</b>	<b>509</b>	<b>2</b>	<b>1805</b>	<b>26</b>	<b>10323</b>
TOURIST CARS/ COACHES	0	0	1	2500	0	0	0	0	1	2500
	<b>2</b>	<b>241</b>	<b>6</b>	<b>10326</b>	<b>2</b>	<b>600</b>	<b>1</b>	<b>5000</b>	<b>11</b>	<b>16167</b>
RTDC/PALACE ON WHEELS	0	0	0	0	0	0	0	0	0	0
	<b>2</b>	<b>2150</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1000</b>	<b>1</b>	<b>500</b>	<b>4</b>	<b>3650</b>
OTHERS	0	0	7	21500	0	0	1	1700	8	23200
	<b>38</b>	<b>57835</b>	<b>15</b>	<b>33950</b>	<b>3</b>	<b>5273</b>	<b>28</b>	<b>72315</b>	<b>84</b>	<b>169373</b>
INFRASTRUCTURE PROJECTS	2	8500	0	0	0	0	0	0	2	8500
	<b>7</b>	<b>23180</b>	<b>1</b>	<b>3000</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>7270</b>	<b>11</b>	<b>33450</b>
TOTAL	17	49880	11	26475	0	700	13	50875	41	127230
	<b>577</b>	<b>636878</b>	<b>86</b>	<b>103214</b>	<b>51</b>	<b>26007</b>	<b>149</b>	<b>269173</b>	<b>863</b>	<b>1035272</b>

Normal - Current Year (2017-2018)

Highlighted - Cumulative





# INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Tourism Finance Corporation of India Limited ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, 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 misstatement, 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 Director, 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 31<sup>st</sup> March 2018 its profit and loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure-A, 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 31<sup>st</sup> March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018, from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the Internal Financial Control over financial reporting of the company and the operating effectiveness of such controls refer to Annexure – B to the Auditors Report;
  - 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.

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

(**Madhur Gupta**)  
Partner

Place : New Delhi  
Date : May 26, 2018

M.No.: 090205



**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 2018, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has a regular system of physical verification of its fixed assets every year. Accordingly, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) The title deeds of immovable properties are held in the company's name.
- ii. The nature of the company's business/activities/ transactions does not require it to hold inventories. Hence, the provisions of Clause 3(ii) of the Order are not applicable to the company
- iii. The company has not granted any loan, secured or unsecured, to the companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the provisions of Clause, 3(iii) (a), (b) & (c) of the Order are not applicable to the Company.
- iv. There is no transaction during the year which attracts the provision of Section 185 & 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and rules framed there under are not applicable to the Company.
- vi. According to Information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 in respect of business carried out by the Company. Therefore, provisions of Clause 3(vi) of the Order are not applicable to the Company.
- vii. (a) The Company has generally 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) There were no undisputed amount payable in respect of provident fund, Income tax, service tax, cess and any other statutory dues in arrears as at 31st March 2018 for a period more than six months from the date they became payable.
- (c) 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 2018 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	A.O.*
Income Tax	2010-11	1,83,17,884	ITAT Delhi
Income Tax	2011-12	2,21,610	A.O. (for rectification)
Income Tax	2012-13	9,15,920	CIT (A)- Delhi
Income Tax	2013-14	1,34,18,600	CIT (A)- Delhi
Income Tax	2014-15	67,24,850	ITAT Delhi
Income Tax	2015-16	44,46,264	CIT (A)- Delhi

\*ITAT Delhi, had set aside the order or A.O. / CIT (A) and directed Assessing Officer to decide the matter afresh by giving the assessee an opportunity of being heard.

- viii. The Company has not defaulted in repayment of loans or borrowings to a financial institutions, banks, Government or dues of debenture holders.
- ix. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.
- x. To the best of our knowledge and according to the information and explanation given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year;
- xi. In our opinion and according to the information and explanation given to us, the company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. Since the company is not a Nidhi Company, therefore, provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanation given to us, all the transactions with the related parties entered into by the company are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details of which have been disclosed in the financial statements etc., as required by the applicable accounting standards;
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting under clause 3 (xiv) of the order is not applicable to the company;
- xv. In our opinion and according to the information and explanation given to us, during the year, the company has not entered into any non-cash transactions with directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 is not applicable to the company;
- xvi. 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 Suresh Chandra & Associates**  
Chartered Accountants  
Firm Reg. No: 001359N

**(Madhur Gupta)**  
Partner  
M.No.: 090205

Place : New Delhi  
Date : May 26, 2018



**“Annexure B” to the Independent Auditor’s Report on the 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, 2018 in conjunction with our audit of the 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 control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(**Madhur Gupta**)  
Partner  
M.No.: 090205

Place: New Delhi  
Date : May 26, 2018



## BALANCE SHEET AS AT 31ST MARCH, 2018

(In ₹)

Particulars	Note No.	As At 31 March, 2018		As At 31 March, 2017	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	2	80,71,67,480		80,71,67,480	
(b) Reserves And Surplus	3	5,44,73,59,150	6,25,45,26,630	4,73,52,84,387	5,54,24,51,867
<b>(2) Non-Current Liabilities</b>					
(a) Long Term Borrowings	4	10,46,24,00,000		9,58,24,00,000	
(b) Deferred Tax Liability (Net)	5	33,51,02,503		26,67,49,354	
(c) Long Term Provisions	6	7,74,00,000	10,87,49,02,503	9,54,87,956	9,94,46,37,310
<b>(3) Current Liabilities</b>					
(a) Short Term Borrowings	7	2,15,02,49,270		91,72,49,424	
(b) Other Current Liabilities	8	74,88,00,629		35,46,09,150	
(c) Short Term Provisions	9	4,59,24,923	2,94,49,74,822	24,40,34,597	1,51,58,93,171
<b>TOTAL</b>			<b>20,07,44,03,955</b>		<b>17,00,29,82,348</b>
<b>II. ASSETS</b>					
<b>(1) Non Current Assets</b>					
(a) Fixed Assets	10				
(i) Tangible Assets		19,93,37,868		20,40,13,599	
(ii) Intangible Assets		-		-	
(b) Non Current Investments	11A	2,12,72,87,694		1,80,55,41,054	
(c) Long Term Loans And Advances	12	13,91,17,03,784	16,23,83,29,346	12,41,72,74,671	14,42,68,29,324
<b>(2) Current Assets</b>					
(a) Current Investments	11B	2,01,48,29,750		67,09,52,900	
(b) Cash And Cash Equivalents	13	3,92,58,448		11,01,25,458	
(c) Short Term Loans & Advances	12	1,54,17,91,995		1,65,25,34,034	
(d) Other Current Assets	14	24,01,94,416	3,83,60,74,609	14,25,40,632	2,57,61,53,024
<b>TOTAL</b>			<b>20,07,44,03,955</b>		<b>17,00,29,82,348</b>

## Significant Accounting Policies

The Notes No. 1 to 31 are integral part of these financial statements

For and on behalf of the Board

As per our report of even date  
for Suresh Chandra & Associates  
(Chartered Accountants)

Firm Reg. No: 001359N

(S.Ravi)  
Director

(S.C. Sekhar)  
Director

(B.M. Gupta)  
Executive Director

(Madhur Gupta)

Partner

M.No. 90205

Date : May 26, 2018

Place : New Delhi

(Sanjay Ahuja)  
Company Secretary

(Anoop Bali)  
Chief Financial Officer



## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(In ₹)

Particulars	Note No.	Year Ended 31 March, 2018	Year Ended 31 March, 2017
<b>Revenue</b>			
<b>I. Revenue from Operations</b>	15	2,26,76,35,785	2,07,71,48,094
<b>II. Other Income</b>	16	40,56,633	82,66,971
<b>III. Total Revenue (I +II)</b>		<b>2,27,16,92,418</b>	<b>2,08,54,15,065</b>
<b>IV. Expenses:</b>			
Employee benefit expenses	17	13,39,19,384	13,55,87,618
Finance costs	18	96,44,18,110	90,80,95,084
Depreciation and Amortization expense	10	69,32,935	61,58,700
Other expenses	19	7,79,94,076	9,89,38,829
Provision/Write-off for Doubtful Debts and / or Diminution in Investments		-	20,00,00,000
<b>Total Expenses</b>		<b>1,18,32,64,505</b>	<b>1,34,87,80,231</b>
<b>V. Profit before exceptional &amp; extraordinary items and tax (III - IV)</b>		1,08,84,27,913	73,66,34,834
<b>VI. Exceptional items</b>		-	23,35,59,834
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		1,08,84,27,913	97,01,94,668
<b>VIII. Extraordinary items</b>		-	-
<b>IX. Profit before tax (VII - VIII)</b>		1,08,84,27,913	97,01,94,668
<b>X. Tax expense:</b>			
(1) Current Tax		26,70,00,000	26,22,00,000
(2) Deferred Tax		6,83,53,150	37,09,356
<b>XI. Profit/(Loss) from the period from continuing operations (IX - X)</b>		75,30,74,763	70,42,85,312
<b>XII. Profit/(Loss) from discontinuing operations</b>		-	-
<b>XIII. Tax expense of discontinuing operations</b>		-	-
<b>XIV. Profit/(Loss) from Discontinuing operations (after tax)(XII - XIII)</b>		-	-
<b>XV. Profit/(Loss) for the period (XI + XIV)</b>		75,30,74,763	70,42,85,312
<b>XVI. Earning per equity share</b>			
(1) Basic		9.33	8.73
(2) Diluted		9.33	8.73

## Significant Accounting Policies

The Notes No. 1 to 31 are integral part of these financial statements

For and on behalf of the Board

As per our report of even date  
for Suresh Chandra & Associates  
(Chartered Accountants)

Firm Reg. No: 001359N

(S. Ravi)  
Director

(S. C. Sekhar)  
Director

(B. M. Gupta)  
Executive Director

(Madhur Gupta)

Partner

M.No. 90205

(Sanjay Ahuja)  
Company Secretary

(Anoop Bali)  
Chief Financial Officer

Date : May 26, 2018

Place : New Delhi



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018**

(in ₹)

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	1,08,84,27,913	97,01,94,668
<b>Adjustment for :</b>		
Provision write off for Doubtful Debts/Investments	-	20,00,00,000
Depreciation & Amortisation	69,32,935	61,58,700
(Profit)/Loss On Sale of Assets	(83,073)	(23,35,59,834)
<b>Operating Cash before working capital changes</b>	<b>1,09,52,77,775</b>	<b>94,27,93,534</b>
<b>Adjustment for :</b>		
(Increase)/Decrease in Long Term Loans & Advances	(1,49,52,00,930)	(1,21,52,68,834)
(Increase)/Decrease in Short Term Loans & Advances	11,07,42,039	(17,43,45,641)
(Increase)/Decrease in Non Current Investment	(32,10,06,640)	(68,77,51,050)
(Increase)/Decrease in Current Investment	(1,34,55,76,850)	76,93,37,629
Increase/(Decrease) in Long Term Borrowings	88,00,00,000	17,00,00,000
Increase/(Decrease) in Short Term Borrowings	1,23,29,99,846	36,46,58,002
Increase/(Decrease) in Other Current Liabilities	39,41,91,479	55,37,449
Increase/(Decrease) in Long Term Provisions	(3,40,87,956)	99,84,365
Increase/(Decrease) in Short Term Provisions	(38,12,116)	3,01,90,671
(Increase)/Decrease in Other Current Assets	(9,76,53,784)	(5,59,49,221)
<b>Cash Generated from Operation</b>	<b>41,58,72,863</b>	<b>15,41,97,304</b>
Direct Tax Paid	(29,02,68,183)	(22,57,86,265)
<b>Net Cash Flow from Operating Activities</b>	<b>12,56,04,680</b>	<b>(7,15,88,961)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(22,99,840)	(3,47,065)
Sale of Fixed Assets	1,25,708	31,50,00,000
<b>Net Cash used in Investing Activities</b>	<b>(21,74,132)</b>	<b>31,46,52,935</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Share Capital and Reserves	-	(10,80,83,627)
Payment of Dividend and Dividend Distribution Tax	(19,42,97,558)	(7,77,19,026)
<b>Net Cash used in Financing Activities</b>	<b>(19,42,97,558)</b>	<b>(18,58,02,653)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(7,08,67,010)	5,72,61,321
Cash and Cash Equivalent at the Beginning of the Year	11,01,25,458	5,28,64,137
Cash and Cash Equivalent at the End of the Year	<b>3,92,58,448</b>	<b>11,01,25,458</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash in hand	16,126	21,377
Balance with Banks		
- Current Accounts	1,87,22,330	80,21,453
- Deposit Accounts	-	8,40,62,099
- Unclaimed Dividend Accounts	2,05,19,992	1,80,20,529
<b>Total Cash and Cash Equivalents (Note 13)</b>	<b>3,92,58,448</b>	<b>11,01,25,458</b>

As per our report of even date  
for Suresh Chandra & Associates  
(Chartered Accountants)

Firm Reg. No: 001359N

(S.Ravi)  
Director

(Madhur Gupta)  
Partner  
M.No. 90205

Date : May 26, 2018  
Place : New Delhi

For and on behalf of the Board

(S.C. Sekhar)  
Director

(Sanjay Ahuja)  
Company Secretary

(B.M. Gupta)  
Executive Director

(Anoop Bali)  
Chief Financial Officer

**NOTE No. 1****SIGNIFICANT ACCOUNTING POLICIES AS ON 31st March, 2018****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 is recognized on right to receipt basis. Consultancy Income is recognized on actual receipt basis.

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

**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. Provision for Dividend:**

As per Companies (Accounting Standard) Amendment Rules 2016, provision for dividend has not been made in books as the dividend is required to be recorded after approval by the shareholders in ensuing Annual General Meeting.

**12. 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

**13. The ALM Statement has been prepared as per RBI Guidelines**





## NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2018		As At 31 March, 2017	
2	<b>SHARE CAPITAL</b>				
	<b>AUTHORISED SHARE CAPITAL</b>				
	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
	<b>TOTAL</b>		<b>5,00,00,00,000</b>		<b>5,00,00,00,000</b>
	<b>ISSUED SUBSCRIBED AND PAID UP SHARE CAPITAL</b>				
	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
	<b>TOTAL</b>		<b>80,71,67,480</b>		<b>80,71,67,480</b>
	<b>Terms / rights attached to equity shares</b>				
	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				
	<b>Reconciliation of Issued Share Capital</b>	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>
	Equity shares outstanding at the beginning of the year	8,07,16,748	80,71,67,480	8,07,16,748	80,71,67,480
	Issued During year	-	-	-	-
	Bought 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	
<b>Shareholders holding more than 5% of Shares in the company</b>	<b>No of Shares</b>	<b>% of shares</b>	<b>No of Shares</b>	<b>% of shares</b>	
(a) Redkite Capital Private Limited	1,07,09,446	13.27%	-	0.00%	
(b) Life Insurance Corporation of India	46,13,180	5.71%	54,13,180	6.71%	
(c) IFCI Ltd.	16,87,909	2.09%	2,36,99,684	29.36%	
3	<b>RESERVES AND SURPLUS</b>				
	<b>(a) Capital Reserve</b>				
	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>(b) Security Premium Reserve</b>				
	Balance at the beginning of the year		61,17,33,246		61,17,33,246
	Add: Current year transfer		-		-
	Less: Utilised during the year		-		-
	Balance at the end of the year		61,17,33,246		61,17,33,246
	<b>(c) Special Reserves</b>				
	<b>(i) Under Section 36(1)(viii) of the Income Tax Act 1961</b>				
	Balance at the beginning of the year		1,69,77,33,000		1,52,26,33,000
Add: Current year transfer		16,48,00,000		17,51,00,000	
Less: Written Back in current period		-		-	
Balance at the end of the year		1,86,25,33,000		1,69,77,33,000	



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2018	As At 31 March, 2017
3	<b>(ii) Under Section 45 IC of RBI Act, 1934</b>		
	Balance at the beginning of the year	85,24,92,000	71,15,92,000
	Add: Current year transfer	15,06,15,000	14,09,00,000
	Less: Written Back in current period	-	-
	Balance at the end of the year	1,00,31,07,000	85,24,92,000
	<b>(d) General Reserve</b>		
	Balance at the beginning of the year	1,47,20,04,446	1,32,20,04,446
	Add: Current year transfer	20,00,00,000	15,00,00,000
	Less: Written Back in current period	-	-
	Balance at the end of the year	1,67,20,04,446	1,47,20,04,446
	<b>(e) Surplus in Profit and Loss Statement</b>		
	Balance at the beginning of the year	10,01,66,695	7,23,62,158
	Add: Current year transfer	75,30,74,763	70,42,85,312
	Less: Provision u/s 36(1)(viiia)(c) of the Income Tax Act 1961	4,10,00,000	-
	Less: Special reserve u/s 36(1)(viii) of the Income Tax Act 1961	16,48,00,000	17,51,00,000
	Less: Special reserve u/s 45 IC of the RBI Act, 1934	15,06,15,000	14,09,00,000
	Less: General reserve	20,00,00,000	15,00,00,000
	Less: Proposed Dividend	-	16,14,33,496
	Less: Provision for Proposed Dividend Tax	-	3,28,64,062
	Less: TDS Credit Rejection for earlier years	-	1,61,83,217
	Balance at the end of the year	29,68,26,458	10,01,66,695
<b>GRAND TOTAL</b>	<b>5,44,73,59,150</b>	<b>4,73,52,84,387</b>	



## NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2018	As At 31 March, 2017
4	<b>LONG TERM BORROWINGS</b>		
	<b>a) Bonds</b>		
	- Secured		
	(Secured By Hypothecation of Book Debts/future receivables)		
	<b>8.81% Bonds (2025) (Series MB 2015-01)</b>	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		
	<b>TOTAL</b>	<u>1,59,74,00,000</u>	<u>1,59,74,00,000</u>
	- Un Secured		
	<b>9.65% Bonds (2033) (Series MB XLVI-C)</b>	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		
	<b>9.60% Bonds (2028) (Series MB XLVI-B)</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		
	<b>9.50% Bonds (2023) (Series MB XLVI-A)</b>	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		
	<b>9.95% Bonds (2022) (Series MB XLV)</b>	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		
	<b>9.95% Bonds (2022) (Series MB XLIV)</b>	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		
	<b>9.65% Bonds (2022) (Series MB XLIII)</b>	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)		
	<b>10.20% Bonds (2021) (Series MB XLII)</b>	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		
	<b>10.15% Bonds (2021) (Series MB XLI)</b>	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		
	<b>8.90% Bonds (2020) (Series MB XXXX)</b>	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		
	<b>TOTAL</b>	<u>6,81,50,00,000</u>	<u>6,81,50,00,000</u>
	<b>SUBORDINATE DEBT</b>		
	<b>9.50% Bonds (2019) [Series MB XXXVIII]</b>	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		
	<b>9.50% Bonds (2019) [Series MB XXXIX]</b>	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		
	<b>TOTAL</b>	<u>1,00,00,00,000</u>	<u>1,00,00,00,000</u>
	<b>TOTAL Bonds</b>	<u>9,41,24,00,000</u>	<u>9,41,24,00,000</u>
	<b>b) Term Loans from Banks</b>		
	(Secured By Hypothecation of Book Debts/future receivables)		
	- State Bank of India	1,05,00,00,000	17,00,00,000
	8.25% p.a. repayable by 31.03.2021		
	(12 Quarterly installments starting from 30.06.2018 and ending on 31.03.2021)		
	<b>TOTAL</b>	<u>1,05,00,00,000</u>	<u>17,00,00,000</u>
	<b>GRAND TOTAL</b>	<u><u>10,46,24,00,000</u></u>	<u><u>9,58,24,00,000</u></u>



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2018		As At 31 March, 2017	
5	<b>DEFERRED TAX ASSETS/(LIABILITY) NET</b>				
	<b>Deferred tax asset due to:</b>				
	a) Provision for doubtful debts and advances		9,39,92,530		12,07,62,118
	b) Provision for diminution in value of investments		1,78,92,040		1,75,92,166
	c) Provision for employees benefit expenses		1,63,17,864		1,47,49,447
	<b>Deferred tax liability due to:</b>				
	a) Depreciation		(2,17,49,142)		(2,30,77,157)
b) Provision u/s 36(1)(viii) of Income Tax Act 1961		(44,15,55,796)		(39,67,75,928)	
	<b>TOTAL</b>		<b>(33,51,02,503)</b>		<b>(26,67,49,354)</b>
6	<b>LONG TERM PROVISIONS</b>				
	Provision for Employee Benefits		-		3,40,87,956
	Contingent Provision Against Standard Assets		7,74,00,000		6,14,00,000
	Balance at the beginning of the year	6,14,00,000		5,80,00,000	
	Add: Current Year Transfer	1,60,00,000		34,00,000	
	Less: Written Back in Current period	-		-	
	Balance at the end of the year	7,74,00,000		6,14,00,000	
	<b>TOTAL</b>		<b>7,74,00,000</b>		<b>9,54,87,956</b>
7	<b>SHORT TERM BORROWINGS</b>				
	<b>- Secured</b>				
	(Secured By Hypothecation of Book Debts/future receivables)				
	CC A/c with State Bank of India		1,25,14,08,251		11,72,49,424
	CC A/c with HDFC Bank		14,88,41,019		-
	WCDL from State Bank of India		-		80,00,00,000
	<b>- Unsecured</b>				
Bank of Baroda		75,00,00,000		-	
	<b>TOTAL</b>		<b>2,15,02,49,270</b>		<b>91,72,49,424</b>
8	<b>OTHER CURRENT LIABILITIES</b>				
	Current Maturities of Long Term Borrowings				
	- Term Loan from State Bank of India		45,00,00,000		-
	Interest & Other Charges Accrued but not due on Borrowings		19,45,05,706		18,68,24,711
	Unclaimed Dividend		2,05,19,992		1,80,20,529
	Advance received from customers		28,58,829		48,46,995
	Statutory Dues		60,78,285		45,59,573
	Refundable Bid Money Against Sale of Office Space		-		7,97,75,000
	Other Payables		1,49,62,817		7,07,342
Amount Received Pending Adjustment		5,98,75,000		5,98,75,000	
	<b>TOTAL</b>		<b>74,88,00,629</b>		<b>35,46,09,150</b>
9	<b>SHORT TERM PROVISIONS</b>				
	Provision for Employee Benefits		4,19,27,262		1,16,59,056
	Other Provisions				
	- Proposed Dividend (including dividend distribution tax)		-		19,42,97,558
	- Provision for Expenses		39,97,661		30,77,983
	<b>TOTAL</b>		<b>4,59,24,923</b>		<b>24,40,34,597</b>



NOTE NO. 10  
FIXED ASSETS AS AT 31ST MARCH 2018

(In ₹)

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at 01.04.2017	Addition	Deletions	As at 31.03.2018	As at 01.04.2017	Addition	Deletions	As at 31.03.2018	As at 31.03.2017
<b>Tangible Assets</b>									
<b>Leased Assets</b>									
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	-
<b>Sub Total A</b>	<b>2,31,08,500</b>	-	-	<b>2,31,08,500</b>	<b>2,31,08,500</b>	-	-	<b>2,31,08,500</b>	-
<b>Other Assets</b>									
Land (Mussoorie)	1,33,84,350	-	-	1,33,84,350	-	-	-	1,33,84,350	1,33,84,350
Building									
- Building (Mussoorie)	4,48,46,990	-	-	4,48,46,990	51,32,539	6,81,311	-	58,13,850	3,90,33,140
- Building (NBCC Plaza)	20,62,01,760	18,24,163	-	20,80,25,923	6,22,93,890	26,41,325	-	6,49,35,215	14,30,90,708
Furniture & Fixture	1,32,91,853	8,474	21,27,412	1,11,72,915	1,08,91,841	11,98,338	21,22,880	99,67,299	12,05,616
Office Equipment	55,88,709	14,325	-	56,03,034	50,79,916	1,01,913	-	51,81,829	4,21,205
Electricals	59,08,389	4,52,878	27,15,370	36,45,897	41,36,053	15,71,913	27,02,139	30,05,827	6,40,070
Computers	1,24,52,583	-	12,09,093	1,12,43,490	1,16,45,536	4,82,641	11,84,220	1,09,43,957	2,99,533
Vehicles	21,51,525	-	-	21,51,525	6,32,785	2,55,494	-	8,88,279	12,63,246
<b>Sub Total B</b>	<b>30,38,26,159</b>	<b>22,99,840</b>	<b>60,51,875</b>	<b>30,00,74,124</b>	<b>9,98,12,560</b>	<b>69,32,935</b>	<b>60,09,239</b>	<b>10,07,36,256</b>	<b>19,93,37,868</b>
<b>Total C= (A+B)</b>	<b>32,69,34,659</b>	<b>22,99,840</b>	<b>60,51,875</b>	<b>32,31,82,624</b>	<b>12,29,21,060</b>	<b>69,32,935</b>	<b>60,09,239</b>	<b>12,38,44,756</b>	<b>19,93,37,868</b>
<b>Intangible Assets</b>									
Computer Software	28,08,775	-	28,08,775	-	28,08,775	-	28,08,775	-	-
<b>Sub Total D</b>	<b>28,08,775</b>	-	<b>28,08,775</b>	-	<b>28,08,775</b>	-	<b>28,08,775</b>	-	-
<b>Grand Total C+D</b>	<b>32,97,43,434</b>	<b>22,99,840</b>	<b>88,60,650</b>	<b>32,31,82,624</b>	<b>12,57,29,835</b>	<b>69,32,935</b>	<b>88,18,014</b>	<b>12,38,44,756</b>	<b>19,93,37,868</b>
<b>As on 31.03.2017</b>	<b>46,54,25,354</b>	<b>3,47,065</b>	<b>13,60,28,985</b>	<b>32,97,43,434</b>	<b>17,41,59,954</b>	<b>61,58,700</b>	<b>5,45,88,819</b>	<b>12,57,29,835</b>	<b>20,40,13,599</b>

**Note: Leased Assets**

The lease period has expired and assets are fully depreciated in the books. However, the matter regarding recovery of lease rentals is sub-judice. Accordingly, the assets continue to be shown in the books.



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2018			As At 31 March, 2017		
		Face Value	Nos	Amount	Face Value	Nos	Amount
11A	<b>NON-CURRENT INVESTMENTS</b>						
	<b>Long Term Investments</b>						
	<b>Quoted</b>						
	<b>a) Investments in Bonds/Debentures</b>						
	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	1000000	250	25,27,61,250
	11.25% Syndicate Bank Perpetual Bonds	1000000	250	25,94,04,200	1000000	250	25,94,04,200
	10.99% Andhra Bank Series(III) Perpetual Bonds	1000000	200	20,54,85,600	1000000	200	20,54,85,600
	10.90% Punjab & Sind Bank Perpetual Bonds	1000000	350	34,88,07,000	-	-	-
	<b>TOTAL</b>			<b>1,71,65,08,050</b>			<b>1,36,77,01,050</b>
	<b>Non-Trade - Unquoted</b>						
	<b>b) Investments in Equity Instruments</b>						
	Cross Country Hotels Ltd.	10	250000	24,62,500	10	250000	24,62,500
	Balaji Hotels Ltd.	10	170000	2,55,00,000	10	170000	2,55,00,000
	Hotel Parag Ltd.	10	826258	82,62,580	10	826258	82,62,580
	Assets Care Enterprises Ltd.	10	2040000	2,04,00,000	10	2040000	2,04,00,000
	Shell Inn International Limited	10	10399964	10,39,99,640	10	11700000	11,70,00,000
	<b>TOTAL</b>			<b>16,06,24,720</b>			<b>17,36,25,080</b>
	<b>c) Investments in Security Receipts / Debentures</b>						
	Assets Care & Reconstruction Enterprise Ltd	100000	2804	28,04,00,000	100000	2952	29,52,00,000
	Security Receipts - Kamath Hotels Ltd						
	Rohini Hotels (Madras) Pvt. Ltd.	100000	500	1	100000	500	1
	0% Optionally Convertible Secured Debentures						
	<b>TOTAL</b>			<b>28,04,00,001</b>			<b>29,52,00,001</b>
	<b>d) Investment in Preference Shares</b>						
	IFCI Ltd.	10	2000000	2,00,00,000	10	2000000	2,00,00,000
	(0.10% Redeemable Cumulative Preference Shares)						
	<b>TOTAL</b>			<b>2,00,00,000</b>			<b>2,00,00,000</b>
	<b>GRAND TOTAL (a+b+c+d)</b>			<b>2,17,75,32,771</b>			<b>1,85,65,26,131</b>
	Less: Provision for Diminution in Value of investments			5,02,45,077			5,09,85,077
	<b>Net Long Term Investments</b>			<b>2,12,72,87,694</b>			<b>1,80,55,41,054</b>
	Aggregate Amount of Quoted Investments			1,71,65,08,050			1,36,77,01,050
	Aggregate Amount of Unquoted Investments			46,10,24,721			48,88,25,081



## NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2018			As At 31 March, 2017		
		Face Value	Nos	Amount	Face Value	Nos	Amount
<b>11B</b>	<b>CURRENT INVESTMENTS</b>						
	<b>Quoted</b>						
	<b>a Equity Shares</b>						
	Viceroy Hotels Ltd.	10	200000	2,00,00,000	10	200000	2,00,00,000
	Punjab Woolcombers Ltd.	10	2500	21,500	10	2500	21,500
	<b>b Investments in Bonds/Debentures</b>						
	11.15% Allahabad Bank Perpetual Bonds	1000000	190	19,51,25,000	-	-	-
	8.65% Bank of Baroda Perpetual Bonds	1000000	240	23,55,60,000	-	-	-
	10.90% Punjab & Sind Bank Perpetual Bonds	1000000	60	6,07,20,000	-	-	-
	9.00% Yes Bank Perpetual Bonds	1000000	300	30,00,00,000	-	-	-
	7.83% Indian Railways Finance Corporation Ltd 2027	-	-	-	1000000	196	19,94,88,800
	9.30% Dewan Housing Finance Corporation Ltd 2026	-	-	-	1000	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
	<b>Un-Quoted</b>						
	<b>c Certificate of Deposit</b>						
	Federal Bank	100000	5000	49,30,30,000	-	-	-
	ICICI Bank	100000	5000	49,40,66,000	-	-	-
	Axis Bank	100000	2500	23,39,07,250	-	-	-
	Total Current Investments (a+b+c)			<u>2,03,24,29,750</u>			<u>68,68,52,900</u>
	Less: Provision for Diminution in value of investments			1,76,00,000			1,59,00,000
	<b>Net Current Investments</b>			<u><b>2,01,48,29,750</b></u>			<u><b>67,09,52,900</b></u>
	Aggregate Amount of Quoted Investments			81,14,26,500			68,68,52,900
	Aggregate Market Value of Quoted Investments			79,38,75,000			67,09,61,400
	Total Investments Gross (11A + 11B)			4,20,99,62,521			2,54,33,79,031
	Less: Provision for Diminution in Value of investments			6,78,45,077			6,68,85,077
	Total Net Investments			4,14,21,17,444			2,47,64,93,954



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	As At 31 March, 2018		As At 31 March, 2017	
		Non Current Portion	Current Maturities	Non Current Portion	Current Maturities
<b>12</b>	<b>LONG TERM LOANS &amp; ADVANCES</b>				
	<b>Secured (Considered Good)</b>				
	Loan to Companies (Secured by Mortgage/Hypothecation of Assets)	13,96,98,40,607	1,53,17,60,993	12,55,17,14,947	1,64,08,85,090
	Less: Provision for Diminution in NPV on Restructured Loans	-	-	1,67,00,000	-
	Less: Provision for Doubtful Loans	32,07,75,238	-	38,10,35,238	-
	<b>TOTAL</b>	<b>13,64,90,65,369</b>	<b>1,53,17,60,993</b>	<b>12,15,39,79,709</b>	<b>1,64,08,85,090</b>
	Loans to Employees	4,82,31,108	48,23,918	5,50,12,376	51,86,065
	<b>Unsecured (Considered Good)</b>				
	Security Deposits	5,04,718	-	5,57,593	-
	Loans to Employees	3,76,479	31,22,700	4,26,051	24,93,400
	Advance to Employees	-	10,000	-	10,000
	Other receivables & Advances	7,55,973	20,74,384	1,77,96,988	23,63,223
	Advance for Capital Expenditure	-	-	-	15,96,256
	Advance Income Tax and TDS (Net of Provisions)	21,27,70,137	-	18,95,01,954	-
	<b>TOTAL</b>	<b>13,91,17,03,784</b>	<b>1,54,17,91,995</b>	<b>12,41,72,74,671</b>	<b>1,65,25,34,034</b>

<b>13</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	a) Cash and cash equivalents		
	Balances with Banks		
	- Current Accounts	1,87,22,330	80,21,453
	- Deposit accounts	-	8,40,62,099
	- Cash In Hand	16,126	21,377
	b) Other Bank Balances		
	- Unclaimed Dividend Accounts	2,05,19,992	1,80,20,529
	<b>TOTAL</b>	<b>3,92,58,448</b>	<b>11,01,25,458</b>

<b>14</b>	<b>OTHER CURRENT ASSETS</b>		
	Interest accrued on Investments	12,11,05,458	4,63,76,944
	Interest & Other Charges accrued and due on loans and advances	4,53,37,393	2,87,14,985
	Interest accrued but not due on loans and advances	7,37,51,565	6,74,48,703
	<b>TOTAL</b>	<b>24,01,94,416</b>	<b>14,25,40,632</b>





## NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
<b>15</b>	<b>REVENUE FROM OPERATIONS</b>		
	Interest on Loans & Deposits	1,76,92,84,589	1,73,44,46,932
	Profit on Investment in Debt-Based Mutual funds	4,47,24,289	7,84,16,571
	Interest on Investment in Bonds	27,28,99,533	13,09,60,478
	Bad Debts Recovered	1,50,73,097	-
	Other Fees & Charges	11,99,62,928	9,59,78,803
	Dividend Received	40,90,500	7,88,603
	Profit on Sale of Shares	2,21,73,531	1,33,67,161
	Profit on Sale of Bonds/Debentures	1,86,27,318	1,69,47,915
	<b>Other Financial Services</b>		
	Consultancy Income	8,00,000	62,41,631
	<b>TOTAL</b>	<b><u>2,26,76,35,785</u></b>	<b><u>2,07,71,48,094</u></b>
<p>The dividend income is recognised on right to receive basis which was accounted on receipt basis in last year. However there is no impact due to this change in accounting policy.</p>			
<b>16</b>	<b>OTHER INCOME</b>		
	Interest on Loans to Staff	21,34,092	26,23,814
	Rental Income	-	24,94,800
	Miscellaneous Income	18,39,468	31,48,357
	Profit on Sale of Assets	83,073	-
	<b>TOTAL</b>	<b><u>40,56,633</u></b>	<b><u>82,66,971</u></b>
<b>17</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salaries & Allowances	8,84,72,047	7,28,43,640
	Contribution to Provident Fund	56,81,210	48,30,442
	Contribution for Gratuity	2,12,96,429	47,85,375
	Contribution for Leave Encashment	48,89,995	1,73,67,237
	Staff Welfare Expenses & Others	65,97,728	7,60,924
	Provision/Payment for Arrear of Salaries	1,05,55,822	3,50,00,000
	Provision for Staff Welfare Fund Written Back	(35,73,847)	-
	<b>TOTAL</b>	<b><u>13,39,19,384</u></b>	<b><u>13,55,87,618</u></b>
<b>18</b>	<b>FINANCE COSTS</b>		
	Interest & Other Charges on Borrowings	96,44,18,110	90,80,95,084
	<b>TOTAL</b>	<b><u>96,44,18,110</u></b>	<b><u>90,80,95,084</u></b>
<b>19</b>	<b>OTHER EXPENSES</b>		
	Rent Rates & Taxes	12,04,803	4,09,87,684
	Office Upkeep & Maintenance/Electricity Charges	1,03,47,324	80,98,167
	Travelling and Conveyance	74,38,293	84,25,203
	Printing and Stationery	4,98,012	6,55,681
	Postage, Telephone and Telex	23,20,761	23,74,329
	Sitting Fee (Directors)	21,88,900	10,34,350
	Membership and Subscription	3,79,367	1,64,834
	Auditors Remuneration		
	- Audit Fee	5,90,000	5,98,000
	- Reimbursement of Expenses	- 5,90,000	<u>1,15,000</u>

Contd...



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No.	Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
19	Insurance Expenses	2,77,023	1,46,570
Conted.	Listing Fee	9,44,879	10,51,234
	Legal and Professional Charges	1,84,84,717	69,19,779
	Rating Fees	69,93,714	40,78,885
	Advertisement & Publicity	16,06,711	44,49,157
	Board Meeting Expenses	35,92,189	19,70,717
	Registrar & Transfer Agent Fee	5,41,264	4,98,233
	AGM Expenses	14,31,975	12,79,770
	Bank Charges	70,213	16,320
	Books & Periodicals	5,78,418	5,51,140
	Training Expenses	16,000	1,750
	Entertainment Expenses	3,75,000	2,13,987
	Spending on Corporate Social Responsibility (CSR) Activities	1,80,20,000	1,50,60,000
	Miscellaneous Expenses	94,513	2,48,039
	<b>TOTAL</b>	<b>7,79,94,076</b>	<b>9,89,38,829</b>
20	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	8,91,53,183	15,67,20,473
21	Expenditure in Foreign Currency	NIL	NIL
22	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)		
23	The Board of Directors have recommended dividend on equity share at Rs.2/- per share at their meeting held on 26 May 2018. As per Companies (Accounting Standard) Amendment Rules 2016, the dividend will be recorded after approval of shareholders in ensuing AGM.		
24	<b>Related Party Disclosure</b> As per Accounting Standard – 18, the Company’s related parties and transactions are disclosed below :		
	<b>A. Related Parties Transactions</b>		
	<b>IFCI Limited (Investing Company) - Associate (Ceased to be associate w.e.f. 30.09.2017)</b>		<b>Amount in ₹</b>
	<b>Transaction Description</b>	<b>Year Ended 31.03.2018</b>	<b>Year Ended 31.03.2017</b>
	<b>Transaction During period</b>		
	- Dividend Paid	4,21,19,858	2,22,75,646
	- Dividend received	20,000	20,000
	- Rent, IT Support Services & Other Expenses Paid	12,23,980	4,15,11,112
	- Interest on Bonds Received	5,80,58,630	5,78,22,951
	<b>Outstanding Balances</b>		
	- 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



## NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

<b>B. Key Managerial Personnel &amp; Managerial Remuneration</b>			
<b>Note No.</b>	<b>Name &amp; Relation</b>	<b>Year Ended 31.03.2018</b>	<b>Year Ended 31.03.2017</b>
	<b>1. Sh. S. P. Arora- Managing Director</b>		
	- Salary	48,89,627	25,58,340
	- Arrears of Salary	6,97,817	-
	- Contribution to PF	3,74,988	2,59,048
	- Perquisites	1,53,785	1,96,625
	<b>Total</b>	<b>61,16,217</b>	<b>30,14,013</b>
	<b>2. Sh. Anoop Bali- Chief Financial Officer</b>		
	- Salary	45,48,930	24,67,586
	- Arrears of Salary	28,23,316	-
	- Contribution to PF	5,49,124	2,52,862
	- Perquisites	4,03,007	11,75,860
	<b>Total</b>	<b>83,24,377</b>	<b>38,96,308</b>
	<b>3. Sh. Sanjay Ahuja - Company Secretary</b>		
	- Salary	32,17,197	18,89,901
	- Arrears of Salary	17,41,576	-
	- Contribution to PF	3,83,358	1,94,363
	- Perquisites	3,41,307	7,34,962
	<b>Total</b>	<b>56,83,438</b>	<b>28,19,226</b>
<b>25</b>	<b>Earning per Equity Share</b>		
	<b>Particulars</b>	<b>Year Ended 31.3.2018</b>	<b>Year Ended 31.3.2017</b>
	Net Profit Attributable to Equity Shareholders	75,30,74,763	70,42,85,312
	Weighted Average No. of Equity Shares (Nos.)	8,07,16,748	8,07,16,748
	Basic Earning Per share of Face Value ₹10/- each	9.33	8.73
	Diluted Earning Per share of Face Value ₹10/- each	9.33	8.73
<b>26</b>	Capital Commitments: NIL (Previous Year: ₹ 21,28,513/-)		
<b>27</b>	Previous year figures have been regrouped / rearranged wherever considered necessary to make them comparable with the current year's figures		
<b>28</b>	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, 2018. 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.		
<b>29</b>	<b>Disclosure required in Accordance with AS-19 - Leases</b>		
	<b>A. Assets taken on operating lease:</b>		
	1. The Company has taken Office Premises on non-cancellable operating lease. Minimum lease payments of ₹ 5,01,980/- (P.Y. ₹4,12,55,787/-) 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:		
	<b>Particulars</b>	<b>Year Ended 31.03.2018</b>	<b>Year Ended 31.03.2017</b>
	a) Not later than one year	3,20,000	1,19,070
	b) Later than one year but not later than five years	3,42,000	-
	c) Later than five years	-	-
	<b>B. Assets given on operating lease: NIL (P.Y. NIL)</b>		



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

Note No. 30	<b>Disclosure required in Accordance with AS-15 - Employees Benefits</b>				
	Gratuity and leave encashment liabilities have been determined and accounted on the basis of actuarial valuation carried out as at March 31, 2018.				
	<b>Particulars</b>	<b>Year Ended 31.03.2018</b>		<b>Year Ended 31.03.2017</b>	
		<b>Gratuity (Funded)</b>	<b>Leave Encashment (Funded)</b>	<b>Gratuity (Funded)</b>	<b>Leave Encashment (Un-Funded)</b>
<b>I</b>	<b>Recognised in the Profit &amp; Loss A/c</b>				
	1 Current Service Cost	37,98,835	17,95,981	16,10,695	15,09,908
	2 Interest Cost	20,57,861	15,35,397	18,87,493	13,67,151
	3 Expected Return on Plan Asset	(10,50,587)	-	(1,40,498)	-
	4 Past Service Cost	-	-	-	-
	5 Actuarial (gain)/loss recognized	1,64,90,320	19,37,791	4,08,434	10,08,923
	6 Expense recognized in Statement of Profit & Loss A/c	2,12,96,429	52,69,169	37,66,124	38,85,982
	7 Provision/Payment for previous years recognised in P&L A/c	-	-	10,19,251	1,34,81,255
<b>II</b>	<b>Net Asset/(Liability) recognized in Balance Sheet</b>				
	1 Present Value of Obligation at the year end	4,56,42,386	2,68,97,835	2,81,12,859	2,09,75,368
	2 Fair Value on Plan Assets	1,32,27,286	2,48,85,673	1,39,15,062	-
	3 Fund Status Surplus/(Deficit)	(3,24,15,100)	(20,12,162)	(1,41,97,797)	(2,09,75,368)
	4 Excess of Actual Over Estimate	(1,38,051)	10,32,472	6,12,578	-
	5 Unrecognised Past Service Cost	-	-	-	-
	6 Net Asset/(Liability) recognized in Balance Sheet	(3,24,15,100)	(20,12,162)	(1,41,97,797)	(2,09,75,368)
<b>III</b>	<b>Change in Present value of Obligations during the year</b>				
	1 Present Value of Obligation at the beginning of the year	2,81,12,859	2,09,75,368	2,35,93,659	1,70,89,386
	2 Current Service Cost	37,98,835	17,95,981	16,10,695	15,09,908
	3 Interest Cost	20,57,861	15,35,397	18,87,493	13,67,151
	4 Actuarial (gain)/loss on Obligations	1,63,52,269	29,70,263	10,21,012	10,08,923
	5 Benefits Paid	(46,79,438)	(3,79,174)	-	-
	6 Present Value of Obligation at the end of the year	4,56,42,386	2,68,97,835	2,81,12,859	2,09,75,368
<b>IV</b>	<b>Change in Fair Value of Assets during the year</b>				
	1 Fair Value of Plan Asset at the beginning of the year	1,39,15,062	-	16,52,918	-
	2 Expected Return on Plan Asset	9,12,536	-	1,40,498	-
	3 Actuarial gain/(loss) on Plan Asset	-	10,32,472	6,12,578	-
	4 Contributions	8,73,138	2,38,53,201	1,15,09,068	-
	5 Benefits Paid	(24,73,450)	-	-	-
	6 Fair Value of Plan Asset at the end of the year	1,32,27,286	2,48,85,673	1,39,15,062	-
<b>V</b>	<b>Actuarial Assumptions</b>				
	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%
<b>VI</b>	<b>Bifurcation of Present Value of Obligation at the end of year as per Schedule III to the Companies Act</b>				
	1 Current Liability	31,64,290	42,80,026	20,73,805	25,85,251
	2 Non Current Liability	4,24,78,096	2,26,17,809	2,60,39,054	1,83,90,117
	Total Present Value of Obligation at the end of the year	4,56,42,386	2,68,97,835	2,81,12,859	2,09,75,368

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

**31.1 Rating Assigned By Credit Rating Agencies for the Bonds/Borrowings of TFCI**

- CARE Ratings Ltd. CARE A+ (reaffirmed vide letter dated 29.09.2017)
- Brickworks Ratings (India) Pvt. Ltd. BWR AA- (reaffirmed Vide letter dated 11.12.2017)
- Smera Ratings Ltd. SMERA AA- (reaffirmed Vide letter dated 12.09.2017)
- No Migration of Ratings took place during the year

**31.2 No Penalty is levied by any regulator during the year.**

**31.3 Capital**

i) CRAR (%)	42.28%	39.03%
ii) CRAR - Tier I Capital (%)	36.06%	32.65%
iii) CRAR - Tier II Capital (%)	6.22%	6.39%
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 31.03.2018	Year Ended 31.03.2017
<b>31</b>	<b>31.4 Investments</b>		
Contd..	- TFCI do not hold any Investments Outside India		
	1) Value of Investments		
	(a) Gross Value of Investments	4,20,99,62,521	2,54,33,79,031
	(b) Provision for Diminution	6,78,45,077	6,68,85,077
	(c) Net Value of Investments	4,14,21,17,444	2,47,64,93,954
	2) Movement in Provision held for depreciation on Investments		
	(a) Opening Balance	6,68,85,077	7,96,25,077
	(b) Add: Provision made during the year	9,60,000	-
	(c) Less: Write-back of Excess Provision during the year	-	1,27,40,000
	(d) Closing Balance	6,78,45,077	6,68,85,077
	<b>31.5 Derivatives</b>		
	Exposure to Derivative Instruments/Products	Nil	Nil
	<b>31.6 Securitisation</b>		
	<b>A. Details of SPVs Sponsored for Securitisation of Assets</b>		
	SPVs Sponsored	Nil	Nil
	<b>B. Details of Financial Assets sold to Securitisation / Reconstruction Company for Assets Reconstruction</b>		
	Financial Assets Sold	Nil	Nil
	<b>C. Details of Assignment transaction undertaken</b>		
	Assignment transaction undertaken	Nil	Nil
	<b>D. Details of Non-performing financial assets purchased/sold</b>		
	1) Non-performing financial assets purchased	Nil	Nil
	2) Non-performing financial assets sold		
	(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
	<b>31.7 Exposures</b>		
	<b>A. Exposure to Real Estate Sector (Direct)</b>		
	1) Residential Mortgage	Nil	Nil
	2) Commercial Real Estate		
	- Lending secured by mortgage on commercial real estate	7,00,00,000	33,76,00,000
	- lending in mortgage backed securities & other exposure	Nil	Nil
	<b>B. Exposure to Capital Market</b>		
	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	18,06,46,220	19,36,46,580
	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances';	Nil	Nil
	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
	bridge loans to companies against expected equity flows / issues;	Nil	Nil
	all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

NOTE NO	Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017		
<b>31</b>	<b>31.8 Additional Disclosures</b>				
Contd.	<b>31.8.1 Breakup of Provision &amp; Contingencies shown under the head expenditure in profit &amp; loss account</b>				
	1) Provision for Diminution on Investments	9,60,000	(1,27,40,000)		
	2) Provision for NPAs/Doubtful Debts	(2,60,000)	19,26,40,000		
	3) Provision for Diminution in NPV of Loans	(1,67,00,000)	1,67,00,000		
	4) Provision for Standard Assets	1,60,00,000	34,00,000		
	5) Provision Made towards Income Tax	26,70,00,000	26,22,00,000		
	6) Other Provision and Contingencies (Deferred Tax Liability)	6,83,53,150	37,09,356		
	<b>31.8.2 Concentration of Advances and NPAs.</b>				
	<b>31.8.2.1 Concentration of Advances.</b>				
	1) Total Advances to Twenty Large Borrowers	9,69,66,63,580	8,47,77,55,874		
	2) Percentage of Advances to Twenty Large Borrowers	62.55%	59.73%		
	<b>31.8.2.2 Concentration of NPAs.</b>				
	1) Total Exposure to Top Four NPA Accounts	33,29,92,387	76,88,71,895		
	<b>31.8.2.3 Sector Wise NPAs.</b>				
	<b>Sector</b>	<b>% of NPA to Total Advances in that Sector</b>	<b>% of NPA to Total Advances in that Sector</b>		
	1) Tourism Sector	2.66%	7.23%		
	<b>31.8.3 Movement of NPAs.</b>				
	1) Net NPAs to Net Advances (%)	0.08%	3.11%		
	2) Movement of Gross NPAs				
	(a) Opening Balance	81,12,44,282	1,58,85,32,065		
	(b) Add: Addition During Year	-	25,47,13,585		
	(c) Less: Reduction/Write-off During Year	47,82,51,895	1,03,20,01,368		
	(d) Closing Balance	33,29,92,387	81,12,44,282		
	3) Movement of Net NPAs				
	(a) Opening Balance	43,02,09,044	1,30,08,23,652		
	(b) Add: Addition During Year	-	25,47,13,585		
	(c) Less: Reduction/Write-off During Year	41,79,91,895	1,12,53,28,193		
	(d) Closing Balance	1,22,17,149	43,02,09,044		
	4) Movement in Provision for NPA				
	(a) Opening Balance	38,10,35,238	28,77,08,413		
	(b) Add: Provision made during the year	**4,10,00,000	19,26,40,000		
	(c) Less: Loans Written off during the year	10,10,00,000	*9,93,13,175		
	(d) Less: Provision Written Back	2,60,000	-		
	(e) Closing Balance	32,07,75,238	38,10,35,238		
	* After utilising provision available under sec 36(1)(viii)(c) amounting to ₹9,19,00,410/-				
	** Provision made u/s 36(1)(viii)(c) of Income Tax Act 1961 [Refer Note No. 3(e)]				
	<b>31.8.4 Loans and advances availed (including interest accrued thereon but not paid)</b>				
	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 & FCNR(B)	3,65,02,49,270	Nil	1,08,72,49,424	Nil
	Inter Corporate Deposits	Nil	Nil	Nil	Nil
	Commercial Papers	Nil	Nil	Nil	Nil
	<b>31.8.5 Break-up of Loans and Advances including bills receivables (Net of provision).</b>				
	Particulars	Amount Outstanding	Amount Outstanding		
	a) Secured	15,23,38,81,388	13,85,50,63,240		
	b) Unsecured	34,99,179	29,19,451		
	<b>31.8.6 Break up of Leased Assets and stock on hire and other assets counting towards AFC activities: Nil</b>				



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

(In ₹)

NOTE NO	Particulars	Year Ended 31.03.2018		Year Ended 31.03.2017			
<b>31</b>	<b>31.8.7 Break-up of Investments (Net of Provision)</b>						
Contd..	<b>A. Current Investments</b>						
	Quoted						
	i) Shares						
	- Equity	24,21,500		41,21,500			
	- Preference	Nil		Nil			
	ii) Units of Mutual Funds	Nil		Nil			
	Un Quoted						
	i) Certificate of Deposits/Bonds	2,01,24,08,250		66,68,31,400			
	<b>B. Long Term Investments</b>						
	Quoted						
	i) Bonds & Debentures	1,71,65,08,050		1,36,77,01,050			
	Un Quoted						
	i) Shares						
	- Equity	12,43,99,643		13,74,00,003			
	- Preference	2,00,00,000		2,00,00,000			
	ii) Bonds/Debentures & Security Receipts	26,63,80,001		28,04,40,001			
	<b>Total Investments (Current + Long Term)</b>	<b>4,14,21,17,444</b>		<b>2,47,64,93,954</b>			
	<b>31.8.8 Borrower group-wise classification of assets financed as in (31.8.5) and (31.8.6) above</b>						
	Particulars	Amount (Net of Provision)			Amount (Net of Provision)		
		Secured	Unsecured	Total	Secured	Unsecured	Total
	i) Related Parties						
	- Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
	- Companies in Same Group	Nil	Nil	Nil	Nil	Nil	Nil
	- Other Related Parties	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Other than Related Parties	15,23,46,37,361	34,99,179	15,23,81,36,540	13,87,28,60,228	29,19,451	13,87,57,79,679
	<b>31.8.9 Investor group-wise classification of all investments (current and long term) in shares and securities (Both Quoted &amp; Unquoted)</b>						
	Particulars	Market value/ Break up value or Fair Value or NAV	Book Value (Net of Specific provision)	Market value/ Break up value or Fair Value or NAV	Book Value (Net of Specific provision)		
	i) Related Parties						
	- Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
	- Companies in Same Group	Nil	Nil	67,00,50,000	67,00,50,000	Nil	Nil
	- Other Related Parties	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Other than Related Parties	4,14,21,65,944	4,14,21,17,444	1,80,64,52,454	1,80,64,43,954	Nil	Nil
	<b>TOTAL</b>	<b>4,14,21,65,944</b>	<b>4,14,21,17,444</b>	<b>2,47,65,02,454</b>	<b>2,47,64,93,954</b>		
	<b>31.8.10 Other Information</b>						
	i) Gross Non-Performing Assets						
	- Related parties			Nil	Nil	Nil	Nil
	- Other than related parties			33,29,92,387	81,12,44,282	Nil	Nil
	ii) Net Non-Performing Assets						
	- Related parties			Nil	Nil	Nil	Nil
	- Other than related parties			1,22,17,149	43,02,09,044	Nil	Nil
	iii) Assets acquired in satisfaction of debt			Nil	Nil	Nil	Nil
	<b>31.8.11 Customer &amp; Investor Complaints</b>						
	a) No. of complaints pending at the beginning of the year			Nil	Nil	Nil	Nil
	b) No. of complaints received during the year			304	213	Nil	Nil
	c) No. of complaints redressed during the year			304	213	Nil	Nil
	d) No. of complaints pending at the end of the year			Nil	Nil	Nil	Nil
	<b>31.8.12 Disclosure on Flexible Structuring of Existing Loans</b>						
	Period & No. of Borrowers taken up for flexible structuring	Amount of Loan Taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring			
		Classified as Standard	Classified as NPA	Before Applying flexible structuring	After applying flexible structuring		
	1. Previous F.Y. 2016-17 - 1	31,27,89,733	-	15 Years	Initial period of 5 years Over all 19 years		
	2. Current F.Y. 2017-18 - 1	17,48,04,317	-	8 Years	Initial period of 7 years Over all 12 years		



NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

31 9. Details of Restructured & Negotiated Settlement Accounts as on 31 March 2018 (In ₹)																
S. No	Type of Restructuring Assets Classification Details	Under CDR Mechanism					Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on 01.04.2017	No of Borrowers	-	-	-	-	1	-	2	-	3	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
2	Fresh restructuring during the year	No of Borrowers	-	-	-	-	-	-	1	-	1	-	-	-	-	1
		Amount Outstanding	-	-	-	-	-	-	23,00,00,000	-	23,00,00,000	-	-	-	-	23,00,00,000
		Provision Thereon	-	-	-	-	-	-	11,50,00,000	-	11,50,00,000	-	-	-	-	11,50,00,000
3	Upgradations to restructured standard	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
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No of Borrowers	-	-	-	-	1	-	-	-	1	-	-	-	-	1
		Amount Outstanding	-	-	-	-	31,27,27,733	-	-	-	31,27,27,733	-	-	-	-	31,27,27,733
		Provision Thereon	-	-	-	-	1,56,36,387	-	-	-	1,56,36,387	-	-	-	-	1,56,36,387
5	Downgradations of restructured accounts during the financial year	No of Borrowers	-	1	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	2	-	3
		Amount Outstanding	-	-	-	-	36,32,76,928	-	32,81,20,000	-	69,13,96,928	36,32,76,928	-	32,81,20,000	-	69,13,96,928
		Provision Thereon	-	-	-	-	1,81,63,846	-	14,44,36,000	-	16,25,99,846	1,81,63,846	-	14,44,36,000	-	16,25,99,846

31 31.10. 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	
<b>Liabilities</b>										
Borrowings from banks	5,51,04,49,270	-	11,25,00,000	35,23,00,000	22,50,00,000	1,05,00,00,000	-	-	7,25,02,49,270	
Market Borrowings	-	-	-	-	-	1,50,00,00,000	4,56,50,00,000	3,34,74,00,000	9,41,24,00,000	
<b>Assets</b>										
Advances	23,50,64,000	4,00,02,000	5,51,71,000	36,29,58,000	83,85,65,993	3,76,33,45,000	3,29,16,56,392	6,91,48,39,215	15,50,16,01,600	
Investments	2,01,24,08,250	58,00,000	-	58,00,000	13,13,00,000	13,77,00,000	-	1,91,69,54,271	4,20,99,62,521	

for Suresh Chandra & Associates

(Chartered Accountants)

Firm Reg. No: 001359N

(Madhur Gupta)

Partner

M.No. 90205

Date : May 26, 2018

Place : New Delhi

For and on behalf of the Board

(S.Ravi)  
Director

(S.C. Sekhar)  
Director

(B.M. Gupta)  
Executive Director

(Sanjay Ahuja)  
Company Secretary

(Anoop Bali)  
Chief Financial Officer





# Tourism Finance Corporation of India Ltd.

**ATTENDANCE SLIP**

(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@tfcilt.com](mailto:complianceofficer@tfcilt.com) website: [www.tfcilt.com](http://www.tfcilt.com)

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

<b>DP ID *</b>	
<b>CLIENT ID</b>	

<b>FOLIO NO. *</b>
--------------------

I hereby record my presence at the 29<sup>th</sup> ANNUAL GENERAL MEETING of the Company being held on Friday, the 10th day of August, 2018 at 11.00 A.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.

**PROXY FORM**

(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@tfcilt.com](mailto:complianceofficer@tfcilt.com) website: [www.tfcilt.com](http://www.tfcilt.com)

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

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 Ninth Annual General Meeting of the Company to be held on Friday, the 10th day of August, 2018 at 11.00 A.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, 2018 and the statement of Profit and Loss for the year ended March 31, 2018 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 approve appointment of Shri Bapi Munshi (DIN: 02470242) 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 February 1, 2018 upto January 31, 2023.		
5	To approve appointment of Shri S.C.Sekhar (DIN: 00024780) as an Independent Director of the Company not liable to retire by rotation, to hold office for second term w.e.f. March 18, 2018 upto February 28, 2023.		
6.	To approve appointment of Shri K.B.N.Murthy (DIN: 00359864) as an Independent Director of the Company not liable to retire by rotation, to hold office for second term w.e.f. January 22, 2019 upto December 31, 2023.		
7	To approve appointment and remuneration of Shri Satpal Kumar Arora (DIN: 00061420) as Managing Director for further period from April 1, 2018 to May 15, 2018.		
8	To approve appointment of Shri B.M.Gupta, Executive Director as the Manager of the Company w.e.f. May 16, 2018 till the joining of the Managing Director of the Company.		
9	To approve amendment of the Articles of Association of the Company.		
10	To approve private placement of bond/debentures etc.		

Signed this .....day of ..... 2018

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 29<sup>th</sup> 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**

**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](mailto:ho@tfciltd.com) Website: [www.tfciltd.com](http://www.tfciltd.com)**

**CIN No.L65910DL1989PLC034812**